WESTERN AUSTRALIA

PARLIAMENTARY DEBATES

(HANSARD)

THIRTY-FOURTH PARLIAMENT
FOURTH SESSION
1996

LEGISLATIVE ASSEMBLY

Thursday, 29 August 1996

Legislative Assembly

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THE SPEAKER (Mr Clarko) took the Chair at 10.00 am, and read prayers.

PETITION - ALINTAGAS, REBATES

DR GALLOP (Victoria Park - Deputy Leader of the Opposition) [10.02 am]: I present the following petition -

> To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled.
>
> We, the undersigned call on AlintaGas to establish a scheme of rebates or discounts for senior citizens, pensioners and other low income earners.
>
> AlintaGas is alone among the public utilities in not providing some form of assistance for low income earners and the elderly and we call on it to display social responsibility in conducting its business affairs.
>
> Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

The petition bears 16 signatures and I certify that it conforms to the standing orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 121.]

MINISTERIAL STATEMENT - MINISTER FOR LABOUR RELATIONS

Workers' Compensation System Reforms

MR KIERATH (Riverton - Minister for Labour Relations) [10.03 am]: I wish to make a brief ministerial statement on the implementation of reforms to this State's workers' compensation system. In 1993, for the first time in the history of the Workers' Compensation and Rehabilitation Commission, insurers collected less premiums than was required to meet claims payments - in fact, they were $3m short. Reforms were then made, which included improved statutory benefits, restricted access to common law, new dispute resolution procedures and a new industry based premium classification system.

The new conciliation and review process is quick and informal, unlike the old system, and has slashed legal costs by 80 per cent. The average legal expense per dispute is now $944 compared with $5 335 under the previous system. Under the industry based premium classification, the accidental or deliberate misclassification of wages is now virtually impossible; therefore, more accurate rates can be fixed. In turn, businesses pay fairer premiums based on the true risk factors for their industry. There we have seen a global reduction of 25.5 per cent in gazetted premiums for the last three financial years, following reductions of 12.5 per cent in 1994-95 and 2.5 per cent in 1993-94. Employers should expect to save up to $46m in premiums during the next financial year.

With regard to rehabilitation, 4 500 injured workers are now able to have access to vocational rehabilitation services, and there is a 95 per cent rate of return to work in cases where rehabilitation is completed. Although the rehabilitation allowance under the Act is $7 260, the average cost when a full return to work program is used is only $2 393. Now only 8 percent of claims are of 60 days or more duration.

As part of the ongoing responsibility of the Government to reduce both social and economic costs of workplace injury, the commission has initiated a review of rehabilitation. This will provide a comprehensive study into whether the current structure, powers and operations relating to workers' compensation provides a cost effective, equitable system that enables injured workers to return to long term employment. Although there has been considerable improvement for the workers' compensation system, the Government will not rest on its laurels but will continue to work for a better outcome for all parties.

APPROPRIATION (CONSOLIDATED FUND) BILL (No 3)

Second Reading

MR C.J. BARNETT (Cottesloe - Leader of the House) [10.04 am]: I move -

> That the Bill be now read a second time.

This Bill seeks to appropriate out of the consolidated fund the sum of $283 678 762.28 for recurrent payments made during the financial year ended 30 June 1996, for purposes and services detailed in schedule 1 of the Bill.

The payments, which were of an extraordinary and unforeseen nature, were made under authority of the Treasurer's Advance Authorization Act and charged to the consolidated fund under authority of section 28 of the Financial

Administration and Audit Act. These payments reflect excess expenditures against 1995-96 appropriations and expenditures for which there were no appropriations during 1995-96.

As members will be aware, the 1995-96 financial year ended with a consolidated fund surplus of $1.2m, an improvement of $1.2m when compared with the estimated nil cash financing requirement. Total recurrent and capital expenditure transactions for the financial year amounted to $7 308.5m, a net increase of $1 022m when compared with the budget estimate of $6 286.5m. Recurrent expenditure transactions amounted to $5 982.3m, a net increase of $244.4m from the 1995-96 budget estimate of $5 737.9m. The unforeseen expenditure appropriation of $283.7m sought in this Bill and additional net expenditure of $3.3m authorised by other Statutes was offset by underspendings of $42.6m against other votes. As underspendings against other votes cannot be netted against excesses or new items approved under the Treasurer's Advance Authorization Act, parliamentary authorisation is required for each vote where expenditure exceeds appropriation or for a new item. I commend the Bill to the House.

Debate adjourned, on motion by Ms Warnock.

APPROPRIATION (CONSOLIDATED FUND) BILL (No 4)

Second Reading

MR C.J. BARNETT (Cottesloe - Leader of the House) [10.07 am]: I move -

That the Bill be now read a second time.

This Bill seeks to appropriate out of the consolidated fund the sum of $70 601 439.99 for recurrent payments made during the financial year ended 30 June 1996, for purposes and services detailed in schedule 1 of the Bill.

The payments, which were of an extraordinary and unforeseen nature, were made under authority of the Treasurer's Advance Authorization Act and charged to the Consolidated Fund under authority of section 28 of the Financial Administration and Audit Act. These payments reflect excess expenditures against 1995-96 appropriations and expenditures for which there were no appropriations during 1995-96.

Capital expenditure transactions amounted to $1 326.2m, a net increase of $777.6m from the 1995-96 budget estimate of $548.6m. The unforeseen expenditure appropriation of $70.6m sought in this Bill and additional expenditure of $790.9m authorised by other Statutes was offset by underspendings of $83.9m against other votes.

As underspendings against other votes cannot be netted against excesses or new items approved under the Treasurer's Advance Authorization Act, parliamentary authorisation is required for each vote where expenditure exceeds appropriation or for a new item. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

REVENUE LAWS AMENDMENT (ASSESSMENT) BILL (No 2)

Second Reading

MR C.J. BARNETT (Cottesloe - Leader of the House) [10.10 am]: I move -

That the Bill be now read a second time.

This Bill seeks to implement two taxation relief measures announced as part of this year's Budget and to put in place a number of other improvements to the equity and efficiency of the taxation arrangements of the State. In particular, amendments are proposed to the -

Business Franchise (Tobacco) Act 1975;
Debits Tax Assessment Act 1990;
Land Tax Assessment Act 1976; and
Stamp Act 1921.

The measures contained in the Bill are expected to provide taxation relief at a cost to revenue in 1996-97 of $7.6m. However, with the reduced compliance costs for business and greater protection to the revenue expected to flow from these measures, it is expected that the benefit to the State of these initiatives will greatly exceed this figure. As was done earlier this year, members will note that the legislation takes the form of a revenue laws amendment Bill rather than requiring four separate amending Bills. While I intend in this speech only to outline broadly the measures proposed by this Bill, an explanatory memorandum has been prepared to accompany the Bill to provide members with much more detail concerning each of the proposed amendments.

The Bill is structured in five parts. Part 1 of the Bill contains preliminary provisions including the commencement dates of the measures proposed. Part 2 of the Bill seeks to amend the Business Franchise (Tobacco) Act to enable a greater degree of regulation by the Commissioner of State Taxation in respect of the sale of tobacco in Western Australia. As members will be aware, the Act provides for licence arrangements to control the sale of this dangerous substance. This is done by requiring tobacco sold within the State to be sold subject to a licence issued by the

commissioner, or to be sold where it has been purchased from a person who has had a licence issued to them by the commissioner. These licensing arrangements provide a mechanism to control and regulate the extent of tobacco wholesaling and retailing within the State. Persons who are issued with a licence are required as a condition of that licence to pay a licence fee calculated in part on the value of tobacco they have sold in the month preceding the month in which they apply for a licence. Subject to certain conditions, a licence is then issued which enables a person to sell tobacco in the following month.

The amendments proposed in the Bill seek to increase the rigour the commissioner can apply in ascertaining the fitness of applicants who wish to obtain a licence to sell tobacco in the State. This is considered necessary to ensure that persons selling tobacco in the State are considered to be fit and proper persons to hold a licence, and to ensure that they are not merely fly by night operators who are likely to sell tobacco without meeting the regulatory standards required of such persons by the legislation. Notably, there is an explanation held by revenue and health authorities in other jurisdictions that such persons are likely to seek to move their operations to other States, if those States have less stringent regulatory requirements in the legislation. Although this measure will affect all applicants for licences, it should not impact on existing licence holders who are considered already to meet such standards, but rather is directed more at ensuring the suitability of future licence applicants.

The Bill also seeks to provide a better mechanism whereby the Government can ensure that the price of the tobacco sold is not unduly reduced as a result of discounting wars by tobacco merchants. Currently the price of tobacco is impacted upon by the licence fee which is passed on by the wholesalers and which has a significant influence on the price paid by the tobacco consumer. This price is considered to act as a deterrent to the consumption of tobacco, especially among younger persons. As discounting practices impact upon the value of tobacco sold by a merchant, this in turn reduces the licence fee they are required to pay for a future licence. This then enables the discounted price to be even further reduced. The Bill proposes to allow the Minister to determine the value of tobacco sold for the purposes of the licence fee by way of an instrument made and gazetted. While no gazettal is currently envisaged, should significant price discounting of tobacco occur in the future, this mechanism will offer some protection to ensure that tobacco prices are not unduly reduced. Notably, similar value determination mechanisms already exist in a number of other jurisdictions and the mechanism proposed in this Bill is based on those. Finally, it is proposed to tighten up the record keeping requirements of licencees to enable the commissioner to monitor more readily the extent of sales and consumption of tobacco in this State.

Part 3 of the Bill seeks to amend section 4 of the Debits Tax Assessment Act. This section is an antiavoidance provision which seeks to prevent the aggregation of multiple debits into a single debit to reduce a tax liability. This opportunity arises because the tax scale operates on a sliding scale which is capped at a maximum liability of $2 when a debit of $10 000 or more is made. The Bill seeks to provide a mechanism to remove doubt surrounding the treatment of payroll payments, where a single wages debit made to an employer's account results in multiple credits to employees' accounts. Although it has not been administered as such, concern has been expressed that section 4 of the Act could be used to apply tax as if multiple debits were being made. Such a treatment could significantly increase the debits tax liability associated with the debit and hence employers' payroll costs. The proposed amendment will enable a prescription to be made to clarify that section 4 of the Act will not apply in respect of payroll debits made by employers for credit to employees' accounts.

Part 4 of the Bill seeks to amend the Land Tax Assessment Act. The Bill proposes to implement the concessionary land tax measure announced as part of the 1996-97 Budget and will have an expected annual cost to revenue of $2.6m. The amendment will provide a 50 per cent concession from the land tax otherwise payable in respect of land in the metropolitan region which is used for genuine primary production purposes, but which fails to qualify for a full exemption due to the owner's inability to meet the income test associated with that exemption. Furthermore, in certain circumstances, should the land which is granted either a primary production exemption or concession be subsequently subdivided, it will be taxed retrospectively for a maximum period of five years. Such retrospective taxation will not apply where the land remains zoned rural after subdivision, provided the lot after subdivision is 2.0234 hectares or greater in size. Moreover, retrospective assessment will not apply prior to the 1996-97 year of assessment. This retrospectivity is similar to that which currently applies to certain land which is granted a residential exemption and is subsequently subdivided.

Part 5 of the Bill seeks to amend the Stamp Act. A number of amendments to this Act are proposed. The most important of these is the stamp duty relief for corporate reconstructions, which was announced as part of the 1996-97 Budget. Corporate reconstructions generally involve the transfer of property between commonly owned companies. If one lifts the "corporate veil", there is little or no change in the underlying ownership of the property in such circumstances. However, in many cases the stamp duty required to be paid on such transfers can be a major barrier to the reconstruction proceeding. The objective of the corporate reconstruction scheme contained in these amendments is to remove the stamp duty impediment to the achievement of a more efficient ongoing structure for a company group. The relief is intended, subject to certain conditions, to allow -

> a corporation or group of companies to incorporate a holding company and transfer assets from certain subsidiaries to it;

a corporation to incorporate a new subsidiary and transfer assets to the new subsidiary;

the movement of assets between associated companies provided the companies were associated for three years; or

where the three year test is not satisfied, the movement of assets between associated companies where the companies were associated at the time the transferor acquired the assets.

Companies must have a common shareholding and voting control of 90 per cent or more to be viewed as "associated" for the purposes of this exemption. To discourage the use of these provisions for the purpose of asset stripping, the companies must generally meet a three year pretransfer association test and remain associated for five years after the date of the instrument or transaction to which the exemption applies. Failure to meet the post-transfer association test will void the exemption and trigger clawback of the duty, plus a penalty component.

Consistent with an earlier commitment, nearly 50 organisations and individuals were provided with a copy of this part of the draft legislation and were given the opportunity to comment. A number of the concerns raised during the consultation process have been accommodated in the Bill. However, a number of other industry proposals, particularly concerning the scope of the relief being given and the limitations imposed by the various conditions which must be met, were not implemented. Nonetheless, a possibility exists that more flexibility could perhaps be incorporated into the scheme once its immediate effect and operation have been objectively assessed. Accordingly, the Government intends that a review of these provisions will be undertaken in two years in consultation with industry to ascertain where improvements can be made.

This measure is an important initiative which will assist companies to improve the efficiency of their operations and with a consequent benefit to the state economy. Although difficult to quantify, it is estimated that the associated cost to revenue will be in the order of $5m in 1996-97 and each year thereafter. An amount of stamp duty greater than this is expected to be exempted each year under the new arrangements. However, it should be recognised that a large proportion of these transactions would not proceed in the absence of this relief. Accordingly, those transactions will be given relief with no real cost to the revenue. Moreover, in the longer term it is expected that the cost of this initiative will be further reduced by adjustments made to the State's commonwealth grants as a result of the Grants Commission process.

A further five changes to the Stamp Act are proposed in the Bill. The first of these seeks to clarify the treatment of transfers of units in public superannuation trusts.

Due to changes in the Corporations Law bought about by the introduction of the Commonwealth's Superannuation Industry (Supervision) Act, the transfer of units in some public superannuation trusts are now subject to the private unit trust provisions of the Stamp Act and purchasers of these units are being required to pay duty at a rate significantly higher than intended. The proposed amendments will ensure that the lower marketable security duty rate is paid on the trading of such units.

The second measure seeks to ensure that double duty does not apply where shares in Western Australian incorporated companies are traded on a foreign stock exchange. A number of Western Australian incorporated companies have recently sought to expand their access to capital by listing on overseas stock exchanges. Regardless of the overseas listing, transfer of shares in these companies remain subject to Western Australian stamp duty. This can lead to an imposition of double duty where a similar charge is levied on the transfer of those shares in the place where the overseas exchange is located.

The Bill seeks to provide relief in these circumstances by enabling certain exchanges to be prescribed, such that shares in Western Australian companies listed on those exchanges will not be subject to stamp duty in this State when traded on those exchanges. The only exchange intended to be prescribed at this time is the London Stock Exchange, as shares traded on it are subject to a stamp duty at a rate of 50 pence per £100.

The third measure seeks to exempt the transfer of a parcel of marketable securities made to a trustee in return for the issue of units in a prescribed "index-matching" trust by that trustee. This type of trust invests in a portfolio of marketable securities weighted to match a particular stock exchange index; for example, the All Ordinaries Index. These unit trusts offer new investment opportunities for investors who wish to invest or manage risk in certain sectors of the Australian equities market.

The fourth measure seeks to ensure that duty is paid on the trading of a new type of a marketable security recently introduced when the Commonwealth Government sold its remaining stake holding in the Commonwealth Bank by public share offer. That offer was structured to allow payment for the shares to be made in two instalments. Such payment was facilitated by the introduction of an "instalment receipt". Instalment receipts commenced trading on the Australian Stock Exchange on 15 July 1996. The amendments proposed seek to ensure that where these instalment receipts are traded, they are subject to stamp duty in the same manner that would have applied had the shares underlying the receipt been traded. This measure is proposed to have retrospective operation to ensure that duty is collected on all such transfers made since 15 July 1996.

The fifth measure seeks to enable the electronic settlement of foreign securities which are listed on the Australian Stock Exchange to take place via the Clearing House Electronic Subregister System - CHESS. Electronic settlement of foreign securities is currently prohibited in most circumstances because the laws in the relevant countries do not recognise electronic marketable security transfers.

To overcome this problem, the Australian Stock Exchange is introducing a new security known as CHESS Units in Foreign Securities, or CUFS for short. The amendment proposed will provide relief for the transfer of a foreign security to or from a specified trustee, if the transfer is made in connection with the issue or redemption of a CUFS. Where a CUFS is transferred to effect the settlement of a foreign security, the transfer of the CUFS will be exempted under an existing provision of the Act. However, duty will be levied on the transfer of any CUFS made in lieu of a transfer of the underlying foreign security.

In summary, the measures contained in this Bill meet the Government's budget commitments in respect of taxation relief, and also improve the fairness and efficiency of revenue laws for business, the community generally and the revenue. I commend the Bill to the House, and for the information of members I table the associated explanatory memorandum.

[See paper No 456.]

Debate adjourned, on motion by Ms Warnock.

STATUTES (REPEALS AND MINOR AMENDMENTS) BILL

Second Reading

MR C.J. BARNETT (Cottesloe - Leader of the House) [10.15 am]: On behalf of the Premier, I move -

That the Bill be now read a second time.

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

In addition to amendments or repeals initiated by Ministers, parliamentary counsel's office has also recommended for inclusion in the Bill miscellaneous clerical corrections and amendments which have been discovered when drafting other Bills or compiling reprints of Acts.

Although the Bill is introduced by the Premier, it covers much legislation which is the responsibility of other Ministers. Therefore, subject to the orders and practices of the House, it may be possible for different Ministers to have responsibility for the legislation at different times during the Committee stage of debate.

Some of the specific provisions of the Bill are as follows: Clause 9 repeals the Iron Ore (Dampier Mining Company Limited) Agreement Act 1969, which is obsolete due to the agreement defined in section 1A of the Act being cancelled in 1988 under the terms of clause 4 of the sixth schedule to the Iron Ore (Robe River) Agreement Act.

Clause 11 repeals the State (Western Australian) Alunite Industry Act 1946. This spent Act is the vehicle under which the State of Western Australian continued an industry established under a repealed Act of 1942. What was regarded as a strategic industry during World War II has been defunct for many decades.

Clause 13 repeals the Wood Distillation and Charcoal Iron and Steel Industry Act 1943. The State-run industry at Wundowie that was the subject of this Act was disposed of under the terms of the Wundowie Charcoal Iron Industry Sale Agreement Act 1974.

Clauses 40 and 41 deal with minor amendments to much more recent legislation; namely, the Consumer Credit (Western Australia) Act 1996 and the Consumer Credit (Western Australia) Code as set out in the appendix to that Act. When the legislation was passed, a section in each of the Act and the Code was amended in Committee. Later examination of the amendments revealed that they did not fully achieve the purposes intended at the time they were made, and that their terminology was not consistent with the rest of the Act. These amendments will rectify those inconsistencies and allow the affected sections to achieve their intended purposes.

Explanatory notes which accompany the Bill briefly explain what each minor amendment or repeal entails, and these explanatory notes will be available to all members for their information. A further information package containing copies of relevant Acts or sections of Acts can also be made available as a reference tool.

During debate on the Statutes (Repeals and Minor Amendments) Act, the member for Mitchell suggested that future omnibus legislation should be allowed to lie on the Table for some time to give members the opportunity to undertake

appropriate research. It is, therefore, proposed that the full debate on this Bill take place later in the spring sittings. This will give members time for research on the Bill, which I commend to the House.

Debate adjourned, on motion by Mr Cunningham.

TRANSFER OF LAND AMENDMENT BILL

Second Reading

MR KIERATH (Riverton - Minister for Lands) [10.28 am]: I move -

That the Bill be now read a second time.

In May 1993 the Government approved the drafting of amendments to the Transfer of Land Act 1893. The Bill received its first reading in the other place on 5 December 1995 and its second reading on 6 December 1995. After its second reading the Bill was held on the Table of the other place to allow for public comment during the parliamentary recess period until 1 March 1996.

During the recess, a number of submissions were received. The main submissions were from the Law Society of Western Australia and the Conveyancing Industry Liaison Committee of Western Australia. As a result of those submissions, the Bill was amended in the other place. I am pleased to advise members that the Bill has the support of the Law Society of Western Australia and the Conveyancing Industry Liaison Committee of Western Australia. The following is an outline of the main changes and reforms which the Bill seeks to establish.

1. Modernising the Register: Under section 48 of the Transfer of Land Act, the register created under the Act consists of a register book comprising original certificates of titles. Instruments dealing with the passing or creation of interests in land are endorsed on the folium of the original certificate of title at the time and in the order of priority in which they are presented for registration. The amendments contained in the Bill seek to modernise the register and registration practices by the following:

It will permit the Registrar of Titles to store the original certificates of title in a form other than paper in any medium or media determined by the registrar. This will allow the registrar to take advantage of new technology which allows for the storage of titles and instruments in an electronic register.

The Bill will permit the recording by the registrar of transactions in land via instruments in the electronic register. It will remove the need to bind original instruments in the register. The original instrument will be retained by the registrar. In the future it is intended to have only the original instrument lodged which will be recorded in the register and then retained by the Registrar of Titles. It will remove the requirement for the lodgment of documents in duplicate and triplicate except for registered leases of freehold land which may be lodged in duplicate. It will permit the Registrar of Titles to update or reconstitute any deficient record of an original document by using extrinsic evidence.

The Bill will permit the Registrar of Titles when recording easements and roads on titles to use symbols rather than colour. This is due to the current electronic storage system being unable to discern colour images when original documents are scanned and also being unable to reproduce colour images. The measure will provide the proprietor of land or his or her mortgagee with an option to request that the duplicate certificate of title not be automatically issued to the proprietor or the mortgagee at the conclusion of the transaction. This will assist financial institutions, solicitors and settlement agencies in that they will not have to provide storage facilities for the duplicate certificates. Further, it will avoid the problems of loss of duplicate certificates and the time and expense involved in having to apply for a new duplicate certificate.

Permitting any person using standard documents with exactly the same terms and conditions to file one copy of them with the Registrar of Titles. These standard documents can then be incorporated into other documents lodged at the Department of Land Administration by reference to the allocated number. This will permit the efficient processing of documents and reduce the size of documents being lodged, checked and held in the electronic register. This will also provide administrative efficiencies by avoiding the necessity of the registrar having to record standard terms and conditions of every document lodged when those terms and conditions do not change, for example, in standard bank or building society mortgage documents.

2. Repeal of the assurance fund and substituting the consolidated fund: The Transfer of Land Act 1893 creates a separate fund, known as the assurance fund, for the purposes of indemnifying persons suffering loss through the operation of the Act. Generally speaking, compensation may be payable to persons deprived of an estate or interest in land -

(a) as a result of a fraudulent transaction - such as forgery of a transfer or mortgage of land;

(b) through the bringing of land under the operation of the Transfer of Land Act;

(c) through the registration of another person as the proprietor; or

(d) due to an error in registration procedures.

The Act also provides that damages for the interest lost and costs of an action may be recovered out of the assurance fund by an action against the Registrar of Titles as nominal defendant. Under the existing Act, in circumstances where the amount claimed is greater than the money held in the assurance fund, recourse is had to the consolidated fund for the payment of the difference. To avoid administrative inefficiencies, the Bill proposes to amend the Transfer of Land Act to delete reference to the assurance fund.

The Bill provides that compensation will, after the commencement of the Bill, be payable from the consolidated fund. Further, the Bill provides that the right of action will be against the State of Western Australia with the Registrar of Titles as the nominal defendant. The Bill will simply change the account from which the compensation is paid or payable under the Act. It will not diminish the protection given to landowners or persons deprived of an estate or interest in land.

The Transfer of Land Act presently provides for contributions to be made to the assurance fund, particularly in circumstances where land is brought under the provisions of the Transfer of Land Act. In such cases, the present contribution rate is 0.2 of a cent for each dollar value of the land brought under the Act. It is proposed to take the opportunity to remove the collection provisions of the Transfer of Land Act to avoid the inefficiencies that presently exist in the collection of a separate fee determined by land value as a contribution to the assurance fund. The existing fee collection process is complex and time consuming and the amount collected per annum is, on average, $62 000. That amount is considered small enough to not warrant the cost and administrative difficulties of collection. Therefore, the Bill will remove the requirement to make contributions to the assurance fund. It is further proposed that the existing money contained in the assurance fund - currently approximately $2.7m - be transferred to the consolidated fund and that the consolidated fund will be liable for all existing and future claims of compensation against the Registrar of Titles.

3. Notifications on Title: The Department of Land Administration often receives requests from government agencies and local authorities to be able to record information on certificates of title of factors affecting the use and enjoyment of land. Recording such information on title provides an effective means of alerting purchasers to any limitations on the land being purchased. The Bill will benefit government agencies and local authorities wishing to record notifications on title. In addition, prospective purchasers of land will be provided with a wider range of information about restrictions affecting the use or enjoyment of the land to be purchased.

Another advantage will be to reduce or eliminate the incidence of other legislation undermining the indefeasibility principle of the Act without amending the Transfer of Land Act. Examples of where these provisions could be utilised are, by recording -

building envelopes contained in developments;

a compulsory requirement to connect to an authority sewer;

a notification that a particular building application has been approved in relation to a new lot;

a requirement to leave a minimum area of land for the construction of a septic system;

the imposition of a building or zoning control over a particular lot in a new subdivision.

warnings as to unexploded ordinances in areas such as Warnbro;

a Health Department warning as to contaminated land; and

warnings relating to landfill.

However, the proposed procedure is designed to facilitate notifications on certificates of title where the relevant government agency or local authority considers it to be desirable. It is important to note that the new procedure is not designed to remove the need for persons dealing with land to investigate all aspects of the relevant property.

Further, the Bill does not provide an ability for government agencies and local authorities to register charges on land for the payment of moneys owing to them. They must be separately empowered to do so under their own legislation. The Bill permits only the recording of information about factors affecting the use and enjoyment of the land on the title.

The provisions of the Bill permitting the recording of notifications on title are wider than the existing provisions of section 12A of the Town Planning and Development Act. The Bill permits a local or public authority to record any factors affecting the use and enjoyment of land. Section 12A of the Town Planning and Development Act is limited to recording factors which, in the opinion of the Western Australian Planning Commission, seriously affect the use and enjoyment of land.

4. Automatic creation of easements and covenants on plans and diagrams: This reform arose out of a public seminar conducted by the Department of Land Administration in 1989 in consultation with the government and industry groups. At present, under the Transfer of Land Act, where a person subdivides land by a plan of subdivision the procedures, with one exception under section 167A of the Act, do not permit private easements and restrictive covenants to be created by the plan presented to DOLA for approval. Existing practice requires the plan to be approved and certificates of title to be issued by the Registrar of Titles and then easements and restrictive covenants are created by the proprietor in transfers between the proprietor and prospective purchasers upon sale of each lot in the new subdivision. This is a cumbersome, confusing and inefficient method of creating easements and restrictive covenants.

The proposed amendments contained in the Bill will permit a subdivider of land to create easements and restrictive covenants on plans of subdivision. In the case of easements, these can be noted on the plan itself through the use of short forms of easements, which may be varied by additional rights created in an instrument, or in an accompanying instrument, showing the full terms and conditions of the easements.

Restrictive covenants are not created on the plan, but by an instrument accompanying the plan or diagram setting out the terms and conditions of the restrictive covenant. In the case of both easements and restrictive covenants, land which is to receive the benefit of the easement or restrictive covenant may be outside the plan. In all cases, an easement or restrictive covenant may be created even though, at the time of creation, the lot burdened and the lot benefited are in the same ownership. The Bill overrides the common law prohibition against an owner of land creating easements or restrictive covenants which both benefit and burden land owned by the same owner. All persons having a prior registered interest in the land will be required to consent to the creation of the easement or restrictive covenant. The Bill also provides that an easement or a restrictive covenant for the benefit of a local or public authority may be noted on the plan of subdivision. This is despite the fact that the local or public authority does not own any land benefited by the easement or restrictive covenant. These are known as easements in gross or restrictive covenants in gross.

Easements in gross will be a new feature to permit local or public authorities to create rights and uses over land to be registered on that title. It will also permit local or public authorities to choose between the procedures presently contained in section 27A of the Town Planning and Development Act, where the terms of the easement are prescribed in regulations, and the proposed amendments, where the terms of the easement may be set out in an instrument lodged with the plan. An easement in gross cannot be created or registered by a public or local authority without the prior written consent of the owner of the land burdened by the easement. Restrictive covenants in gross will be a new feature for local and public authorities to place restrictions applying to the use of the land affected on the title to the land. The ability of public and local authorities to create the restrictive covenant will be subject to the owners' consent being obtained before the creation and registration of the easement or restrictive covenant.

The Bill further provides that land contained in a plan of subdivision may have a restrictive covenant noted on the plan. However, a restrictive covenant cannot be noted on a plan, unless the land burdened by the restrictive covenant is contained within the plan and an instrument creating the covenant accompanies the plan of subdivision. Easements and restrictive covenants on plans and diagrams of subdivision will come into effect upon the creation and registration of the certificates of title, the subject of the easements and restrictive covenants. Significant benefits will result from the above reform and are as follows -

> The process of subdividing land and simultaneously creating easements and restrictive covenants will be simplified.
>
> The proposal gives rise to administrative efficiencies. Such efficiencies will permit the Registrar of Titles to include details of the easements and restrictive covenants in all certificates of titles resulting from the plan of subdivision. This is instead of the current process of creating those easements and restrictive covenants one at a time when each transfer of a lot affected by the easement or restrictive covenant is registered at DOLA. Also, under this new proposal the registrar will not have to add an extra diagram to certificates of title to evidence the creation of the easements.
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> Instead of many instruments being required to create the easement or restrictive covenant, one instrument attached to the plan may now create many easements or restrictive covenants.
>
> The process of selling land in a new subdivision will be simplified because prospective purchasers will be fully aware from a title search what easements and restrictive covenants affect the land.
>
> The Bill will provide public and local authorities with an alternative approach to the creation of easements under Section 27A of the Town Planning and Development Act.
>
> The Bill will give public and local authorities the ability to have the benefit of a restrictive covenant over land without being required to own any land to be benefited.

The Bill will permit public and local authorities to lodge an instrument with a plan of subdivision specifying the rights and obligations not already provided in the statutory short forms contained in the Town Planning and Development Act.

5. Short forms of easements: Under section 65 of the Transfer of Land Act, only one statutory short form of easement exists. That short form provides that whenever a transfer, lease or certificate of title uses the words "together with the right of carriageway over", the expression is deemed to include the additional wording set out in schedule 9 to the Act. It is proposed under the Bill to extend section 65 of the Transfer of Land Act so that it applies where the right of carriageway is created not only by an instrument, but also by a plan.

The number of short forms of easements will also be extended to include an easement for -

a right of footway;

water supply or drainage purposes;

gas supply purposes;

transmission of electricity by overhead cable;

transmission of electricity by underground cable;

transmission of television by underground signals through underground cables;

eaves and gutters;

sewerage purposes;

party wall rights; and

car parking rights.

The Bill will assist conveyancers when they propose to create any of these types of easements as it will only be necessary to use, in the instrument or plan, the short form of words contained in the Bill. The Bill will then operate to incorporate the detailed wording of the easement contained in the schedule to the Bill.

6. Approved forms: The Transfer of Land Act incorporates numerous schedules prescribing the forms and contents of forms to be completed by lodging parties when dealing with interests in land. It is incumbent on the Registrar of Titles to update, from time to time, the content of the prescribed forms to permit ease of completion by the lodging parties.

Although the Transfer of Land Act permits the schedule of the Act to be amended by regulation, this approach is considered unduly time consuming and restrictive. This is especially so in the case of minor amendments which are still required to be affected by regulations being made to the schedules. Minor changes cannot be quickly implemented because of regulatory procedures to be followed.

Due to the cost and delay in introducing an amendment to a regulation, the Bill proposes to remove some of the forms from the schedules and to provide instead that those documents be prepared in a form approved by the Registrar of Titles. The major exception to this approach will be powers of attorney which will still be contained in the prescribed form of the Act.

This reform proposal is in keeping with the Government's policy of removing unnecessary regulatory procedures and of removing from legislation matters such as forms which may require amendment at any time.

7. Witnessing of instruments under the Transfer of Land Act - 7.1 Witnessing of instruments inside Australia: With reference to the witnessing of documents inside Australia the Bill amends the Act to provide for a plainer and easier to understand description of the witnessing requirements for documents under the Act in Australia. The Bill does not change the present legal requirements for witnessing documents under the Act. However, the Bill makes specific reference to the requirement of a witness to be a person who is not suffering under a "legal disability". The generally accepted meaning of the term "legal disability" is that a witness must be over the age of 18, and not suffering from any mental incapacity which prevents him from understanding what he is doing. This is in keeping with the use of the term "legal disability" used in the rest of the Act.

7.2. Witnessing of instruments outside Australia: With reference to the witnessing of documents outside Australia, the Bill greatly simplifies the existing requirements for witnessing those documents. The Bill removes the last vestiges of the colonial days, by removing the complicated distinctions between the circumstance where the documents are witnessed within the British dominions and where they are witnessed in countries which are not within the British dominions.

The Bill provides that documents dealing with interest in land in Western Australia under the Act signed outside Australia will be properly executed if the interest holder's signature is witnessed by one of the following persons: Members of Parliament, mayors of towns or cities, judges, magistrates, Australian consular officers, notaries public, lawyers, doctors, university lecturers, school teachers and persons having managerial responsibility in a bank.

8. Notices given by mortgagees under section 106 of the Act: The Bill removes the requirement for default notices being sent by the mortgagee to the mortgagor under section 106 of the Act by registered mail. Registered mail no longer exists in Western Australia as a mail service. Further, the Bill permits mortgagees to serve default notices under section 106 on mortgagors to an increased number of places for service rather than the address of the mortgagor on the register.

A mortgagee will now be permitted to serve a default notice under section 106 of the Act by any one or more of the following methods:

(a) personal delivery of the notice on the mortgagor;

(b) certified mail to the address of the mortgagor in the register;

(c) certified mail to the current address of the mortgagor;

(d) leaving the notice in a conspicuous place on the mortgaged property; or

(e) a notice sent to a facsimile number specified in writing by the mortgagor to the mortgagee as being an address for service of notice under section 106 of the Act.

The Bill removes the anomalous situation which occurs under the Act when mortgagees are required to serve default notices on mortgagors at an address in the register book which is out of date. The Bill permits mortgagees to serve mortgagors with a notice of default at their current address if that is different from the address contained in the register.

9. Service of notice provisions: The Bill seeks to modernise the general provisions of the Act relating to the service of all notice required to be sent under the Act. The Bill removes the necessity to require that notices be sent by registered letter as registered mail is no longer used. Sections 30, 137 and 240 of the Act require that the caveators state an address within the limits of the City of Perth for service of notices. A requirement for service in the City of Perth is considered unnecessary due to the present modern methods of communication, and has been removed. In recognition of current business practices, facsimile transmissions of notices by the Commissioner of Titles and the Registrar of Titles is to be authorised as a method of service.

The Bill further permits persons wishing to change the record of their address for service, or a facsimile number given as an address for service, to do so by lodging an approved form changing the address with the Registrar of Titles. In the past, many complaints have been received by DOLA about notices which have been sent to owners of land at former addresses because these were the addresses shown in previous instruments which were not updated on the register.

10. Refusal to produce duplicate certificates of title: Sections 76 and 77 of the Act deal with, among other things, the circumstances in which a registered proprietor has unlawfully refused to produce his or her duplicate certificate of title when required to do so by the Commissioner of Titles or a court. In essence, sections 76 and 77 provide that the commissioner may issue a requisition requiring a proprietor to deliver up his or her duplicate certificate for the purposes of a transaction. If the proprietor refuses to do so, the commissioner has the power to direct the registrar, at the proprietor's own cost, to commence legal action in the Supreme Court requiring the proprietor to show good cause as to why he or she refuses to produce the duplicate certificate of title. If the proprietor refuses to answer to this, the court may order that the proprietor be arrested and brought before a judge to give an explanation as to why he or she refused to produce a duplicate certificate. If the proprietor fails or refuses to offer a sufficient reason for his or her refusal to produce the duplicate certificate and continues to refuse to produce it, the court may gaol the proprietor for that refusal. This permits the Commissioner of Titles to give a direction to the Registrar of Titles to cancel the certificate of title and the duplicate and to issue a new title. However, it is arguable that the present provisions of section 77 of the Act may require the new duplicate certificate of title to be issued to the existing registered proprietor, and not to the person entitled to it.

The amendments in the Bill to section 76 and 77 of the Act are designed to remove the problems of -

(1) the cost of legal action under sections 76 and 77 of the Act being undertaken by the Registrar of Titles at the direction of the Commissioner of Titles where a person unlawfully refuses to produce a duplicate title. The Bill achieves this by providing that the party seeking the title is given the right to take an action against the person refusing to produce a duplicate title. As a result that person will incur legal fees for that action and not the Department of Land Administration. This will prevent DOLA from being involved in what is essentially a private dispute for the production of a duplicate certificate of title for the benefit of a private person and not the State.

(2) The possible inadequacy of the provisions of section 77 of the Act, which provides that the new title, when created by the registrar after the court order, is to be returned to the person refusing to produce it, as the registered proprietor. The Bill now proposes that a court may order that the certificate of title be delivered to a person other than the registered proprietor; that is, to the person, who in the court's opinion, is entitled to it.

11. New caveat removal procedure: This proposal for reforming the Act to provide for a new caveat removal procedure arose out of a submission made during the public consultation period for the Bill. It is considered to be a worthwhile amendment which will achieve a substantial reform.

11.1 Existing caveat removal provisions: To understand the proposed amendments, it is necessary to explain briefly the existing caveat removal provisions. Under the Transfer of Land Act, generally speaking, unless -

(1) the registered proprietor has an existing dealing with his land;

(2) the interest of the caveator has ceased to exist;

(3) the registered proprietor undertakes legal proceedings in the Supreme Court for the removal of the caveat; or

(4) the caveator voluntarily withdraws the caveat,

the registered proprietor is unable to have the caveat removed.

11.2. Role of the Registrar of Titles. It is important for members to be aware that, under the Transfer of Land Act, it is not the function of the Registrar of Titles to examine the legal validity of each caveat lodged for noting on a title. The only function that the registrar has, when a caveat is lodged with him, is to ensure that the caveat complies with the requirements as to form as specified by the Transfer of Land Act. The Act leaves the issue of whether the estate or interest claimed by the caveator is a valid one, to be determined by the proprietor and the caveator, by way of an agreement, or by the courts if the parties cannot agree.

11.3. Inequity against registered proprietors: The driving force behind the proposed caveat removal provisions is that the existing provisions of the Transfer of Land Act impose an unfair burden upon the registered proprietor. This is especially the case where the caveator has made a claim which does not appear to establish a proper legal ground for the interest being claimed. Under the Act, the burden is then on the registered proprietor to start legal proceedings to have the caveat removed and to bear the expense of those proceedings. Further, it is considered that a caveator who asserts an interest in the land should bear the onus of proving it and these amendments will ensure that the onus of proof is on the caveator.

11.4. Proposed mechanism for removal of caveats: These amendments provide that the Transfer of Land Act will provide a further administrative method of removal of caveats noted on certificates of title. This new method will permit registered proprietors to apply to the Registrar of Titles, once a caveat has been lodged in respect of that land, to require the caveator, within 21 days of receiving the notice, to obtain an order from the Supreme Court validating the interest claimed by the caveator. If the caveator fails to obtain an order extending or validating the caveat within the 21 day period, the caveat will automatically lapse.

11.5. Removal procedure will not apply to all caveats: The proposed removal procedure will not apply to all caveats. It is considered that some caveats should be exempted from the caveat removal procedure, as the estate or interest claimed by the caveator is rarely questioned. The exceptions to the procedure fall generally in the area of caveats lodged by local or public authorities, the Registrar of Titles or the Commissioner of Titles, caveats lodged pursuant to a court order, caveats lodged under section 30, 176 or 223A of the Act, and caveats lodged by or on behalf of, or with the consent of the Minister for Lands.

11.6. Advantages of new procedure: This proposed new procedure is considered to have significant advantages in dealing with the problems that have arisen in the past under the Transfer of Land Act. Those problems concern -

(1) registered proprietors being required to commence legal proceedings and bear the initial expense of removal of caveats from their certificates of title; and

(2) once the caveat has been removed, some caveators would immediately relodge another caveat claiming another related interest.

In respect of the second problem, where a caveat that is subject to the removal provisions has been automatically lapsed or removed by a court order, a caveator will be prevented from lodging another caveat in respect of that land. The exception to this will be where the registered proprietor consents to the lodgment of the new caveat, or a caveator obtains a Supreme Court order authorising the caveator to lodge another caveat. Under the existing provisions of the Act, a caveator can, for a minimum of expense, cause maximum damage to a registered proprietor where that registered proprietor is attempting to sell, mortgage or otherwise deal with his land. The prohibition provisions on

relodgment of a caveat will prevent a caveator from lodging a caveat without the consent of the proprietor or an order of the Supreme Court.

11.7. Damages against caveator - not a useful remedy: Under section 140 of the Act, the registered proprietor can sue a caveator for an award of damages, where the caveat is held to be invalid. Such a legal right is practically useless if the caveator has no assets which can be attached by the registered proprietor. Further, the onus is on the registered proprietor to take additional proceedings to claim damages against the caveator. These proceedings require the proprietor to outlay further money in legal fees for the damages claim, which may not be recovered from the caveator, if the caveator has little or no assets.

12. General penalties under the Act: A review of the Act has revealed that the current penalties for offences under the Act are $200 or a maximum term of imprisonment of 10 months or both. Penalties under the Act were last reviewed in 1950. It is considered that the penalties are out of date with modern Statutes, and do not bear any relationship to possible offences under the Act relating to dishonest dealings with interests in land. Such offences could involve the gaining and loss of significant assets by unscrupulous persons against innocent parties. The Bill seeks to provide that the Act be amended to provide for fines of up to $10 000, or imprisonment of up to two years or both for offences committed under the Act. This new penalty regime in the Bill will give the judiciary sufficient scope to deal with offences and impose an appropriate fine, imprisonment or both depending upon the gravity of a particular offence.

The changes made by the Bill are wide ranging. The reforms contained in the Bill will have a beneficial impact on the lives of people owning land in Western Australia and will also provide more flexibility and scope for development of land. I commend the Bill to the Assembly.

Debate adjourned, on motion by Ms Warnock.

NATIONAL ENVIRONMENT PROTECTION COUNCIL (WESTERN AUSTRALIA) BILL

Second Reading

MR MINSON (Greenough - Minister for Mines) [10.52 am]: I move -

That the Bill be now read a second time.

The National Environment Protection Council (Western Australia) Bill represents an opportunity for the Australian States, Territories and the Commonwealth to act cooperatively towards environmental protection. The legislation is a nationally uniform approach to setting environmental standards.

The concept of a National Authority for Environmental Protection was put forward to the 1990 special Premier's Conference by the States at a time when the then Prime Minister, Hon R.G. Hawke, was receptive to the concept of cooperative federalism. It was intended by the States to give them some access to the decision making processes whereby the Commonwealth entered into extensive international treaties relating to the environment without any real consultation with the States. The constitutional reality was that the States had the power on environmental matters, but the Commonwealth had available to it other means of involving itself in environmental issues. In fact the Commonwealth had exercised those powers, principally the external affairs power, to do just that. In this context the Commonwealth, through its ability to enter international treaties and conventions, was able to become involved in land use and environmental matters.

The States were concerned in the earlier 1990s about this and about impending negotiations at the Rio De Janeiro Conference on Environment and Development where a range of environmental treaties were to be considered. The Commonwealth had indicated that it wished to be a party to those treaties. Moreover, within Australia, the States were concerned at the implied commonwealth role in standards setting as a result of the Wesley Vale pulp mill proposal in Tasmania. In that case the Tasmanian Government had set certain standards for the expanded mill to enable it to discharge additional waste above its already approved emissions. The upshot of the Commonwealth's interest was that the Commonwealth insisted on new standards and intended to use the facility of the Foreign Investment Review Board, or the capability of not approving an export licence, to influence the industry. This was an unsatisfactory means of doing business from all perspectives. However, it demonstrated very clearly that there needed to be a truly national cooperative arrangement to enable environmental standards to be set, taking account of the continental size of Australia by allowing for regional differences.

At the same time negotiations were under way towards an intergovernmental agreement on the environment. A new schedule was then prepared for the Intergovernmental Agreement on the Environment to introduce the concept of a national environment protection authority - now a council. Its role was to establish national environment protection measures.

The Western Australian coalition Government was cautious about entering into legislation for the council. As the standards were to be mandatory on the decision of a two-thirds majority vote of Ministers of the council, Western Australia's interests might be circumscribed by positions adopted by the Commonwealth in combination with some

other States. Moreover, there was no certainty that the regional differences which were alluded to in the IGAE would be adequately addressed in the legislation. Under the proposed legislation the council is responsible for establishing national environmental protection measures, which include environmental quality standards for water, air and noise, environmental goals to guide the formulation of regional development strategies, and guidelines which provide background as to how desired environmental outcomes should be met.

These environmental protection measures are still to be adopted by a two-thirds majority vote. However, their implementation in the State will have to be by a state law. Moreover, the legislation provides that any measure must take significant account of regional differences. Members may be unaware of the significance of these regional differences. I will give some examples. In Western Australia, because of high levels of the poison 10,80 occurring naturally in our native vegetation, our native fauna have developed resistance and the poison can be used to control rabbits, foxes and feral cats - in other words, introduced species, without damage to native species. In the Eastern States native fauna do not share this resistance and such a control method is likely to cause unacceptable damage to native fauna. Another example is where the environmental effect of some substances varies greatly for different ecosystems. For example, in the marine environment a level of a substance which has no discernible effect on the seagrass meadows and kelp forests in coastal waters off Tasmania, Victoria and our own south west could be highly damaging to the coral reefs off our north west coastline.

To make clear the Western Australian Parliament's responsibilities in this regard, this Bill contains a small, but significant, modification from the uniform legislation to enable the Parliament to disallow a national environment protection measure where the Western Australian member of the NEPC is of the opinion that that measure does not take into account Western Australian regional differences. Western Australia fully supports a federal and cooperative approach to the environment, building upon this State's experience since the inception of Western Australia's first environment legislation in 1970 under a coalition Government. In that context, I have been happy with the role of the Australian and New Zealand Environment and Conservation Council. However, through adoption elsewhere in Australia of the NEPC legislation, the development of environmental standards will shift to the NEPC. The WA Government is now satisfied that the national legislation establishing the NEPC is an agreement between sovereign States. It is not a referral of powers, template legislation or even mirror legislation. Because of this it is now appropriate for Western Australia to participate.

Within the NEPC process I see that there are benefits to Western Australia. In particular it provides an opportunity for commonwealth agencies to be required to adopt the same standards which state agencies would be obliged to uphold. Presently, commonwealth agencies do not have to comply with state environment and planning laws or policies. For example, the Federal Airports Corporation constructed accommodation facilities over the Jandakot ground water mound at a time when the Select Committee on Metropolitan Development and Groundwater Supplies was making recommendations against urban development over these resources.

Mr Thomas: The Federal Airports Corporation has taken it upon itself to become a planning authority.

Mr MINSON: That is true. This legislation will have some control over such developments, whereas it had none before.

Similarly, the State has no control over aircraft noise, the siting of telecommunication towers and telecommunication routes, and the sale by the Commonwealth of land containing unexploded ordnance for urban development. The NEPC now provides an opportunity to draw commonwealth agencies into upholding the same legal obligations as Western Australian industry and agencies.

I will now detail some of the specifics of the Bill. The Bill consists of seven parts and a schedule comprising the 1992 Intergovernmental Agreement on the Environment. The Bill provides for the establishment of the National Environment Protection Council and the processes by which that council will make environment protection measures and report on their effectiveness. The NEPC will be made up of state, territory and commonwealth Ministers sitting as equal partners with the joint responsibility of establishing national environment protection measures. Members will be nominated by state or territory Premiers or Chief Ministers, and for the Commonwealth the Prime Minister will nominate the chairperson.

The proposed national environment protection measures are similar to the environment protection policies already in place in Western Australia. Typically, a measure will specify its goal - the nationally agreed objective for protecting the particular aspect of the environment - and then spell out relevant standards, a monitoring protocol and perhaps guidelines suggesting how States might implement the measure.

The Bill provides for the measures to be developed through an extensive public consultation process which guarantees the involvement of key stakeholders and interest groups. This will be achieved, firstly, through wide advertising of the intention to prepare a measure, inviting submissions from interested parties. A draft measure and impact statement will then be prepared and published, and public comment invited over a period of at least two months. A summary of submissions and the NEPC's responses will be provided to those who made submissions. Finally, the NEPC will vote on the measure, with a two-thirds majority being required to approve it.

The measure will include scientific analysis, and an assessment of potential economic and social impacts. The Bill specifically states that regional differences must be considered by the NEPC, and States retain the ability to maintain or introduce more stringent environmental protection measures than those adopted through the NEPC process. The measures themselves have no effect until given that effect by the state legislation. The measures, once adopted, will control matters such as ambient air and water quality; noise standards relating to the protection of amenity; the assessment of site contamination; the environmental impacts associated with hazardous waste; and the reuse and recycling of used materials. Also, motor vehicle noise and emission standards will be developed in conjunction with the National Road Transport Commission.

The Bill requires the NEPC member to report annually on the implementation of measures during that year and upon their effectiveness. Additionally, the council itself will prepare an annual report to each Australian Parliament. This process will make council members accountable to the Parliaments and the Australian community for their environmental performance. To assist the council in its work, a committee of officers will be established including an executive officer. The committee will comprise nominees of each participating Australian jurisdiction and a nonvoting nominee of the Australian Local Government Association.

Under part 5 of the Bill, a small secretariat group to be known as the NEPC Service Corporation will provide professional assistance to the council and the committee. It has already been decided that this corporation will be located in Adelaide. The staff of the corporation will have the same rights as commonwealth public servants. Part 6 of the Bill provides for the State to appropriate moneys to the corporation, and the Treasurer may give directions in this regard.

Outside the context of the Bill, each participating jurisdiction will provide financial resources to the council, committee and corporation on the basis of 50 per cent Commonwealth with each other jurisdiction contributing on a per capita basis. For Western Australia this is understood to be about $45 000 per year. The Western Australian Government is now satisfied the Bill adequately deals with its earlier concerns in relation to the NEPC concept. All other Australian Parliaments have now passed similar legislation and it is appropriate for Western Australia to do likewise. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

SANDALWOOD AMENDMENT BILL

Second Reading

MR MINSON (Greenough - Minister for Mines) [11.04 am]: I move -

That the Bill be now read a second time.

The Sandalwood Act 1929 requires landowners to obtain a licence before proceeding to harvest sandalwood from private property and restricts the volume of privately owned sandalwood that can be harvested in any year to 10 per cent of the total harvest. At the time, the provision was enacted to stabilise overseas markets. However, since the Act was proclaimed, the provision contained in the section has assumed a greater significance to maintain controls on the harvesting of naturally occurring sandalwood to ensure that it is harvested only in a manner that will ensure the conservation of the species. The requirement is still relevant as it applies to private landowners wishing to harvest naturally grown sandalwood.

The Government has now received representations from private investors who have requested Parliament to remove this significant impediment to investment by the private sector in the development of sandalwood plantations on private land.

The Bill amends sections 2 and 3 of the Sandalwood Act to remove the 10 per cent limitation for harvesting of sandalwood grown on a plantation and to remove the requirement for owners of plantations to obtain a licence to harvest their sandalwood. Concurrently, the opportunity has been taken to bring the Sandalwood Act in line with the provision of the Conservation and Land Management Act taking into account that the Forests Act was repealed some years ago. The Sandalwood Act is read as one with the Conservation and Land Management Act, which is the principal Act.

It is expected that an impetus will be generated in investment in sandalwood plantations by the private sector in response to enactment of the amendments contained in the Bill. These amendments will not cause any financial cost to the Government. There may be a potential long term effect on the market price of sandalwood when plantations established by the private sector are due for harvest in approximately 25 years' time and there could then be a flow-on effect to the State's revenue. However, as Western Australia controls an estimated 60 per cent of the world's production of sandalwood and the balance is presently obtained from a number of insecure sources in Asia and the Pacific, the long term future of the industry in Western Australia appears to be secure. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

GOVERNMENT RAILWAYS AMENDMENT BILL

Second Reading

MR LEWIS (Applecross - Minister for Planning) [11.07 am]: I move -

That the Bill be now read a second time.

The purpose of this legislation is to allow third parties to operate their own trains using their own train crews on the government railway network. The third party means any person who proposes to enter into a contract or arrangement with the Railways Commission for the right to operate trains over Westrail's tracks. Currently, the Government Railways Act does not contain explicit provisions which would allow a grant of access, and legal advice obtained by Westrail suggests that some current provisions would inhibit the grant of access. There is also a need to ensure that Westrail has the capability to meet its responsibility under the Competitive Principles Agreement. It means that Westrail will be potentially exposed to competition for the provision of services on its network from other operators, but I believe with the reform taking place in Westrail it will be able to compete effectively.

The Bill provides for the Railways Commission to enter into agreements with third parties to use a railway or portion of a railway for the purpose of operating a railway service using its own rolling stock and train crews. Such agreements will require the approval of the Minister for the Western Australian Government Railways and will be commercially based, and third party operators will be required to comply with all normal Westrail safety and operating standards under the Railway By-laws. The agreements will be for periods up to 21 years but can be terminated in the public interest. The agreements will include the payment of moneys for use of the railway and any improvements that are necessary to improve the railway to meet third party operators' needs.

The amendment will benefit tourist train operators such as the Hotham Valley Tourist Railway, as it will provide them autonomy in operating their own services. Also, efficiencies will result for Westrail as it will not be required to provide train crews for tourist train services. The Bill also provides for the sale, lease or the right to use real or personal property of the Railways Commission that the third party operator wishes to use for the service and to which the Railways Commission agrees to sell, lease or grant the right to use. Existing provisions of the Government Railways Act that may prohibit or inhibit the operation of such an agreement will not apply, and this is consistent with the legislation that was passed to allow the National Rail Corporation access to the Westrail network.

The Bill is an important piece of legislation which will see Westrail operate in a totally commercial environment and allow for the most efficient provision of transport services to Western Australia. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

COMPETITION POLICY REFORM (WESTERN AUSTRALIA) BILL

COMPETITION POLICY REFORM (TAXING) BILL

Second Reading - Cognate Debate

Resumed from 28 August.

DR GALLOP (Victoria Park - Deputy Leader of the Opposition) [11.10 am]: There are many battlegrounds in Australian history. One of the interesting ones involves those who contend for the free market on the one side and those who contend for government regulation on the other. On the side of the regulators has been the establishment of orderly marketing schemes, the regulation of entry to particular markets, tariff protection, and significant public involvement in the production, distribution and exchange of goods and services, all happening on the basis of the argument that the public interest requires those restrictions to the free play of the market.

On the other side have been those who advocate the free market and say that there should be as few restrictions as possible on the production, distribution and exchange of goods and services. The argument here is that competition provides for accountability and encourages progress and productivity in our community. Australian history indicates that at various times those who advocate a more free market approach have dominated, and on other occasions those who argue for more restriction and regulation have dominated. We could say that in the last decade and a half those who argue for the free market and its value have tended to hold sway in the community, particularly in governing circles at both the state and federal levels.

To different degrees and with differing emphases, depending on the jurisdiction, the governing party in power at the time and the complex of interest groups, there has tended to be a move toward the establishment of a freer market throughout Australia. There has been the reduction of tariff protection, the floating of the Australian dollar and a fair degree of financial deregulation. This has meant that more sectors of our economy have been exposed to the force of competition, not only internally but also from outside the boundaries of our nation. Even in the traditional public sector areas of delivery, such as electricity, gas and water, restructuring and a degree of deregulation has occurred.

It is also important to note that during the 1980s, the national Government's concern for competition policy saw the Trade Practices Commission being strengthened and the establishment of the Prices Surveillance Authority. The Government expressed concern about the possibility of antimarket activity, and price fixing and mergers which reduce the degree of competition in our economy. The Federal Government toughened its competition policy arms. We could say that this is reflected in the increased status of the Trade Practices Commission and what was then the Prices Surveillance Authority.

Many issues now come up for discussion in which those authorities intervened, when 10 years earlier they would not have been involved. I can think of one example here in Western Australia when as a result of the closure of the *Daily News* paper and the possibility that *The West Australian* would take it over, debate took place about what that would mean for competition in the newspaper industry here. Ten years earlier that probably would not have come onto the agenda as an issue.

More competition has also occurred as a result of the reduction of some regulations. The institutions that deal with competition policy have toughened and in 1992 the Federal and State Governments established the Hilmer inquiry which eventuated in the Hilmer report in 1993. In his report he said, first, that we should extend the Trade Practices Act to cover government business enterprises, statutory marketing authorities and all unincorporated associations. One of the problems that the Trade Practices Commission had was that the Trade Practices Act did not extend to all business organisations in our community. Secondly, he pointed to many government regulations and interventions that impeded markets from functioning properly. Thirdly, he argued for a radical market model for Australia. He said that a review should be undertaken of all regulatory restrictions, structural reform of, and limits on, monopolistic pricing. He also argued for more competitive neutrality between the public and private organisations.

The implementation of Hilmer's report was held up for some time for, I think, two reasons: First, that some concern was expressed throughout the community that the radical market model would not necessarily benefit the public interest. Hilmer is a radical marketeer when it comes to the economy. Many people in the community felt that although the principle of competition was a good one, there was a limit to everything and that perhaps Hilmer's recommendations went too far. The second issue was concern by the States and Territories about what the implementation of his model would mean to their revenue sources. In the end that was the most important concern that led to some delay in the implementation of his report.

It was felt that the Commonwealth would gain from higher income taxes and that the States and Territories would lose because their government business enterprises were effectively a source of revenue for the state Budget. In effect, the increases imposed by State Governments year in and year out on the water, gas and electricity authorities were a form of tax revenue for the States.

Mr Thomas: What about the railways in Queensland.

Dr GALLOP: The railways in Queensland is a classic case study. Queensland has been able to keep down its taxes and charges and say to the rest of Australia what a low taxing State it is. However, it compensates for that by the very high charges it imposes through its railway system.

The States and Territories were concerned about these issues and along with the general angst in the community about what radical competition would mean for the public good, the implementation of the report was delayed. The States and Territories then sent it to the Industry Commission to provide information about what the reforms would mean for governments throughout Australia. The Industry Commission investigated the matter and reported in 1995.

It is important to get on the record when debating this issue what the commission said about the implications of the competition policy. It said that there would be an increase of real gross domestic product of about 5.5 per cent each year, or $23b, if the recommendations in the Hilmer report were implemented. I believe that is a vastly exaggerated figure and there are many flaws in the Industry Commission analysis of the economy. I believe the model it used for analysing the impact of institutional changes is very narrow. I urge some caution about that figure. Nonetheless, that was the Industry Commission's estimate of the improvements that could arise from Hilmer's recommendations. More important was its estimate of what the States and Commonwealth would contribute to these changes.

It was estimated that $23b a year would be shared by the States and the Commonwealth, with the state reform contributing $19b a year and the commonwealth reform $4b a year. The States could add 4.5 per cent and the Commonwealth 1 per cent to the gross domestic product. They were the implications that the Industry Commission thought would flow from the implementation of the Hilmer committee.

It is important to note at this stage of the debate that part of the agreement entered into in April 1995 - which is not in this legislation as such - is that the Commonwealth Government will compensate the States and Territories over the next decade to the tune of $4.2b. That is a reflection of the estimate of the losses to state government revenue from the implementation of competition reform. The Opposition seeks an assurance from the Government that the revenue stream will flow to the States, as was agreed in April 1995, and will not be impacted on by any decision by

the latest federal Budget. We put that question to the Minister for Fair Trading; it is not in the Bill, but it is an important part of it. It is part of the agreement that was entered into in April 1995.

The other agreement entered into in 1995, of course, is incorporated into this legislation. I turn to that now: The States, the Territories and the Commonwealth agreed to establish the Australian Competition and Consumer Commission and the National Competition Council. The National Competition Council is to be set up and will involve state and federal representatives; it will give them a veto on any amendments that come before them. Therefore, it is very clear that any issues that come before the NCC can be vetoed by the States and the Territories. This body will be a general, high level policy body with the ability to make recommendations about a range of issues and the general administration of the scheme. We will have a high level body with representatives from all States and Territories, with the States and Territories having power to provide a veto on any decisions that come from, for example, the Commonwealth; and it will provide the general policy advice on competition policy throughout Australia.

The other body - the ACCC - is most important. It has been set up to be the public guardian against anticompetition or unfair business activities throughout Australia. It is to be based on two bodies - the previously existing Trade Practices Commission, which was set up in 1974, and the Prices Surveillance Authority, which was set up in 1983. Its efforts are devoted to ensuring compliance with the Trade Practices Act. As the second reading speech indicated, it is the role of the Trade Practices Commission to see to it that various forms of anticompetitive conduct, such as contracts which substantially lessen competition, misuse of market power and mergers and acquisitions which substantially lessen competition will be subject to the scrutiny of the commission under the terms laid down by the Trade Practices Act.

Also, the Prices Surveillance Authority, which was previously a separate authority, has merged with the commission to form the ACCC. The means available to the ACCC to bring about compliance with the Trade Practices Act range from persuasion through to coercion. It is a body which could achieve its objectives by a number of methods: It attempts to persuade, cajole and convince people. On the other hand, it can issue court orders and impose penalties in the case of abuse by market players. It has a range of powers to achieve its objectives.

An important point must be made, particularly when we see the increased power that the Trade Practices Act will have; that is, it can endorse business arrangements that detract from competition if they are in the public interest. This is most important when it comes to government activity. The Australian Labor Party believes government activity should be scrutinised in relation to its impact on competition in our society. However, we acknowledge that the Government has a different role to play from that of a private corporation. Many government arrangements and interventions in the economy are in the public interest. If we adopt a narrow ideological point of view, they may contravene those principles, but in the broader public interest they may be desirable. We accept the proposition that that qualification to the powers of the Trade Practices Act should be there.

The implications of this legislation will make it absolutely clear where the public interest will justify Government intervention. Before the ACCC came into existence, Governments could override the effect of the Trade Practices Act whenever they chose. That gave Governments the power to do a lot more than perhaps they will now be allowed to do; but it meant that accountability of Governments was reduced. Under the new procedures to be established, and by implication by this legislation, the exemption process has been significantly tightened. Three conditions must now be met if business arrangements are to be endorsed by the ACCC. First, it must be explicitly stated in the relevant legislation; secondly, the benefits to the community must outweigh the costs; and, thirdly, the objectives cannot be achieved by any alternative other than restricting competition. That test is to apply to a Government, if it is to meet the requirements of the Trade Practices Act.

The current Chairman of the ACCC, Professor Allan Fels, said that it will be more difficult, more visible and probably more embarrassing for Governments to use it as an escape hatch. The Opposition is happy that the exemption clause is in place. We are happy to apply that to any government authority, legislation and marketing authorities, for example, in this State. We are also happy that the exemption has been toughened up so that it requires Governments to justify those departures in a more rigorous and open way. There will be open inquiries into this matter and we will have to justify to the wider community what we do.

We should note as a Parliament we are imposing a discipline on our own performance that was not there before. Of course, that has happened in many areas of Australian life in recent years through the new, cooperative federalism that has been a feature of the last decade. Let us remind ourselves of what the legislation does in this respect: The Trade Practices Act, which prohibits various forms of anticompetitive conduct, such as contracts which substantially lessen competition, the misuse of market power generally and mergers and acquisitions which substantially lessen competition, will now apply throughout Western Australia in a broader way than before the creation of the ACCC and before this legislation goes through Parliament. We have a new discipline in this State.

I will go through some of the more specific issues that are involved in this legislation. First, it will mean many businesses in Western Australia will come under the scope of the Trade Practices Act. Before, the law applied only to incorporated businesses or those engaged in interstate trade and commerce. There is always a lot of legal argument

about how far the federal corporations power could be used to allow the Trade Practices Commission to be involved in matters within state boundaries. Nevertheless, there was a real restriction on the power. It will now apply to all businesses, whatever their legal form, whether they are incorporated businesses or unincorporated businesses and, most importantly, whether they are in the private sector or the public sector. Therefore, government business enterprises and marketing arrangements will now be covered. This will have a significant impact on the accountability of many of our government agencies and on much of our legislation.

Secondly, the scope of the Prices Surveillance Act will be extended. Government business enterprises which operate within state boundaries will now be subject to price restraint and monitoring. The States may do this by one of two methods: Through the ACCC, which will require the consent of the Government or of the National Competition Council, or by setting up their own pricing authorities. In 1993, the Opposition looked at the New South Wales pricing tribunal, and we have argued consistently since that time that rather than refer each case to the ACCC, we should adopt the New South Wales model, which would give this State its own authority, which would be subject to its own legislation. We would certainly be interested to know whether the Government has determined what approach it will take to the price monitoring and price restraint obligations into which it has entered.

The third issue, and this is more the province of the shadow Minister for Energy, is the development of access regimes for services such as gas pipelines, electricity transmission lines, telecommunications networks and ports. Part 3A of the Trade Practices Act states that access regimes must be established and access must be allowed on fair and reasonable terms. It is important to note the methods that are available to resolve these issues. There may simply be commercial negotiation between the parties. A third party who wishes to have access to a gas pipeline may negotiate with the owner of that pipeline. Should those negotiations break down, there are other ways of progressing the issue. The third party may request that the facility be declared, and if the National Competition Council finds that that should happen, negotiations will automatically be resumed. If the negotiations fail again, the third party can obtain an arbitrated settlement from either the ACCC or a private arbitrator; and appeal mechanisms have been built into the process. This will also be a very important issue for Western Australia, given its declared policy of opening up our gas pipeline and electricity transmission lines to the forces of competition.

The alternative approach that a State can adopt if it is an operator of one of these pipelines or transmission lines is to provide an undertaking to the ACCC about the terms and conditions on which it will provide access. That is obviously the preferred option, and I believe it is the one at which Western Australia is looking. Therefore, my third question to the Minister is: What approach will the Government adopt to meet the requirements laid down by part 3A of the Trade Practices Act with regard to government owned infrastructure? This will be a difficult and complex issue, because it involves technical, legal and commercial matters, and it will take some time before our nation works out precisely what is meant by "fair and reasonable terms".

These issues of open access must also be considered in the broader context of what constitutes a natural monopoly, because one of the features of our economy, in which economies of scale operate, is that some activities require monopolies in order to achieve maximum efficiency and performance, and inefficiencies emerge if we try to break up those monopolies. We must take care to ensure that we do not create inefficiencies. The free market is a good thing if it is not an ideology. When it becomes an ideology, we start to have problems; people see competition as a single end that should be pursued no matter what the consequences, rather than seeing the general virtues of competition lined up against the general virtues of regulation. The Opposition certainly wants to see more competition, but we would like to weigh it up against some of the other objectives that can foster the public good.

The Labor Party has no problem with toughening up competition law. It is interesting to note that the Trade Practices Act and the Trade Practices Commission were introduced in 1974, and the Prices Surveillance Authority was established in 1983, and those two years were years of national Labor Governments.

Mr Thomas: Even before that, it was Bob Hawke as ACTU leader on retail price maintenance.

Dr GALLOP: Yes, which was the subject of an outstanding essay by yours truly at the University of Western Australia's economics department in 1971.

Mr Bloffwitch: It did not have much effect on the Trade Practices Act, unfortunately, but I am sure it was a good paper.

Mr Thomas: It was Bob Hawke who introduced the Trade Practices Act.

Mr Bloffwitch: It copied the anti trust laws and, had it copied them more closely, it might have been more effective.

Dr GALLOP: It is interesting that the Labor Party has a proud record of anti trust legislation, generally because of its desire to bring about a better economy through increased competition. We have a balanced view of that subject rather an ideological view.

Mr Bloffwitch: What does that mean?

Dr GALLOP: We agree that some cases of regulation should be exempt from the requirements of the Trade Practices Act because of the public good.

Mr Bloffwitch: A few members on this side agree with you.

Dr GALLOP: I hope most members on that side agree with me because it is contained in this legislation, which members opposite support.

The agreement in April 1995 had three elements: An agreement to introduce the competition code into state legislation, which is what this legislation does; an agreement to implement the framework of competition policy, and part of that was the compensation package from the Commonwealth; and the competition principles agreement, which was an intergovernmental agreement about what competition policy should mean in our society. The competition principles agreement provided a framework for microeconomic reform of government business enterprises. That agreement has been contentious, and we would like to place on record our view. The first part of that agreement was the requirement that the Government should establish independent pricing oversight of public monopolies. We have general agreement with that principle. In some ways it went further and said that there should be perfect allocative efficiency, as it is called, through cost reflective pricing in the way that government business enterprises conduct their pricing policy. The member for Geraldton would understand only too well that if applied in a radical way, that could cause some problems for his constituents, given their distance from the metropolitan area and the higher cost of delivering some services to them.

Mr Bloffwitch: It could then receive exemption under a benefit that was in the interests of the State.

Dr GALLOP: Or the benefit could be made transparent by a payment through state Treasury, rather than through the direct budget of a government business enterprise. If applied in a radical and unthinking way, that could pose problems, particularly in a State like Western Australia that has a large area and high costs for the delivery of services to rural areas.

Secondly, it requires Governments to consider the establishment of competitive neutrality between public and private sectors. Generally, that is something the Opposition approves of. However, in some ways the test that has been applied to public sector organisations is tougher than that which has been applied to private sector organisations. In many ways competitive neutrality goes both ways. If the balance is tipped too far, public sector organisations competing in the marketplace may be disadvantaged vis-a-vis the private sector. With an ideological Government that believes everything the private sector does is good and everything the public sector does is bad, there is a danger that balance can be tipped too far one way.

Thirdly, a requirement exists that Governments consider the horizontal and vertical disaggregation of the functions of public monopolies. The classic example is separating the production of electricity from its transmission and distribution. Fourthly, Governments are required to implement a timetable for the review of all regulations that restrict competition.

Mr Bloffwitch: I wonder whether we will do the same for corporations. That is an interesting exercise.

Dr GALLOP: That is a very good question. Many non-government bodies have a degree of vertical and horizontal integration. From time to time different views are held on whether that is good or bad. At the moment many big corporations disaggregate their activities. Many mining companies contract out many of their operations; however, some do not. An interesting cultural issue applies here. Large Japanese companies are generally against contracting out. They prefer to have all their activities within the one company so they can educate and train all their staff.

Mr Lewis: The Len Buckeridge model.

Dr GALLOP: Does he have an integrated concept? Other companies prefer to disaggregate and simply have a group of managers at the top managing the contracts and have other companies deliver the services through contracts or subcontracts. That debate will continue. The member for Geraldton poses an interesting question. We have tended to focus on big public monopolies and say that they must disaggregate because it is bad for competition if they do not. However, that raises the issue that some of the bigger private corporations may impede competition through their own forms of integration that restrict entry to the market or make it more difficult for someone else to compete in a fair way. Competition policy is an ongoing argument. We should always be open to the evidence of each case. We should not be ideological about it. We should encourage it and believe in it and we should legislate to make it possible, but we should always be open to each circumstance that exists.

The fifth area of the agreement is for Governments to implement a timetable for the review of all regulations that restrict competition. This is the one the National Party is particularly interested in; namely, restrictions on entry into markets through licensing arrangements, restrictions on the price or characteristics of goods that can be sold, and quotas or exclusive marketing arrangements. Members know the sorts of people who are interested in this area. My colleague the member for Wellington knows only too well that a big argument has occurred about whether the

pharmaceutical industry should be deregulated. The evidence I have seen from countries that allow big retail organisations to get into that area indicates that quality is lost.

Mr Bradshaw: It is not cheaper, either.

Dr GALLOP: Costs are associated as a result.

Mr Bradshaw: There are not necessarily increased costs, but there are no savings to the public.

Dr GALLOP: Right, there are no savings. The taxi industry through its licensing arrangements and some of the last remaining vestiges of "orderly marketing" that exist in the rural area are other examples. I return to the point: The push for competition throughout the 1980s has, if nothing else, encouraged a healthy debate in our community about this issue. We are now much more sophisticated about it. All licensing arrangements and restrictions on competition are now subject to much more accountability. That is where the strength of what has occurred comes through. Twenty years ago the regulators on the one side and the free marketeers on the other each said that they were right and the others were wrong. The two sides are now being forced to confront each other in a real debate through institutions such as the Australian Competition and Consumer Commission and the National Competition Council. That is a reflection of how our country is a much better place now than it was in the early 1980s. We confront issues in a much more open way and try to resolve them according to the evidence of each case.

Mr Thomas: That is 13 years of Labor Government.

Dr GALLOP: I did not say that, but I was certainly thinking it. The national competition agreement, which is the third part of the April 1995 agreement, is something that we should treat with caution. If applied in a heavy-handed and simplistic way, it could damage, rather than promote, the public interest. Many in this Parliament would argue that many of those reports from the Industry Commission were simplistic in their approach and ideology. They were useful as a means of providing a basis for debate, but if they were applied throughout the economy, we would have a much poorer society. I will give some examples.

Natural monopolies when broken may become more inefficient. Duopolies may result. The oligopolistic competition that can result when monopolies are broken up can be more damaging to the community than if they had not been broken up. A simple example is that two large corporations may try to compete with one another by lowering their standards of work, by radically reducing the wages and conditions of their workers, or by compromising on environmental standards and trying to get an edge in the market by caring less for the environment. I have already mentioned the difficulties that can emerge when price distortions are removed from what was beautifully called a purely cost reflective approach to resource allocation. People living in remote areas of the State who deserve opportunities equal to those available in the metropolitan area may find that the prices they must pay increase dramatically. I do not think that is in the interests of our community.

Great distributional and equity considerations may come into account. To give one example: Low income people spend twice as much in proportional terms on energy and water services as those on high incomes. The interests of low income people must be protected in any pricing strategy that is adopted. As I hinted earlier, pressure may be placed on wages and industrial safety and environmental issues. Rather than compete on price, they may start to compete on these issues. That could lead to a general diminution of standards in the community. It is important that the reform program be approached with care and concern for those types of issues.

The Trade Practices Act allows for some of those issues to be brought into consideration when looking at particular business arrangements. The Opposition supports that. There are two ways of looking at this legislation. The first is the way in which the Industry Commission, Professor Hilmer or some of the radical free marketeers might look at it; that is, as an instrument for economic liberation. To some extent that is true. Our economy has gained by the increased level of competition that has been achieved throughout the 1980s. We can look at this legislation in a second way; that is, as providing a greater lever for accountability. That is where its strength lies. Traditional practices and regulations of Government - the traditional approach that we have adopted in Western Australia and throughout Australia - are now subject to a public interest test which goes along these lines: If activity is regulated, if competition is restricted, if it is made harder for people to come into a market, that must be justified. That test is a reasonable one to apply to the things we do as governments. There is no doubt that this legislation imposes a new discipline on us. Competition reform will either benefit our nation or harm it, depending on how it is implemented. It comes down to the all-important question of implementation. It is both an opportunity and a challenge for us. On the one hand it is an opportunity to improve the way our economy works, but on the other hand it is a challenge to ensure its implementation creates a greater good, rather than a lesser good.

This leads me to one of the final points I want to make about the legislation. In agreeing to this legislation, the State Parliamentary Labor Party was concerned that state sovereignty would be protected. We agreed to support the legislation on the condition that the sovereignty of the Western Australian Parliament is protected. As I look at the legislation, I see this process must be followed if a change is to come from the Commonwealth through to the State. We simply would not accept the Commonwealth Parliament changing its law and it coming through to the State

without any possibility of our being in a position to veto. We must preserve the sovereignty of our State Parliament in that respect.

If there is to be a change in the code, a notification must be given and all jurisdictions must vote on the change. There needs to be a majority vote if that change in the code flows through to the state level. I ask the Minister whether, when the State Government comes to vote on that issue, it will consult the State Parliament about the attitude it will take. If the Labor Party achieves its objective of proportional representation in the Legislative Council within the context of one-vote-one-value, we will probably have a situation where very few Governments in the future will be able to have control of the upper House.

Mr Bloffwitch: Don't you think it is unlikely that the upper House will go to one-vote-one-value? It is more likely that the lower House will.

Dr GALLOP: I hope both Houses will, as the member knows. At the moment the strategy of the National Party is to retreat to the upper House to try to strengthen its position there, and to give way on the lower House. That is the traditional approach adopted by the National Party when it is under pressure. When it sees that the writing is on the wall, it takes a step back, builds up the barricades again and tries to give itself another 10 or 20 years of the balance of power.

Mr Lewis: Oh, come on. Be charitable.

Dr GALLOP: That is what it is doing.

Mr Thomas: You should go and ask some members of your back bench what they think about that.

Mr Tubby: What about abolishing the upper House altogether?

Dr GALLOP: I do not agree with that. Some people do.

Mr Lewis: Some people believe very strongly that it should be abolished.

Dr GALLOP: Some do, but our party policy is very clear; we believe in two Houses of the Parliament. That has been the case since 1976. The Labor Party used to argue for the abolition of the upper House. Of course, it was very difficult to convince people of the value of that. During the 1976 Labor Party conference a very important decision was made to change our policy on the upper House and to advocate proportional representation. It is 20 years since we had that abolition policy. The Senate is now very much a part of the federal policy as well. We now believe in bicameralism as a principle.

Mr Lewis interjected.

Dr GALLOP: Garry Kelly, the former member for South Metropolitan Region, moved that at that conference. I remember it. My question to the Minister is this: When it comes to the State Government going to the forum which will decide on changes to the code, will she consult with the Parliament? I am sure the member for South Perth and his committee would be interested in that issue.

If it is agreed at that forum that Western Australia or any other State still did not like it, that State could suspend that part of the code. We are still maintaining a sovereignty. I want the Minister to confirm that is the case in her response to our comments. The State Parliamentary Labor Party has made its support for any legislation of this sort conditional upon state sovereignty being preserved. Should there be a change in federal law, we believe that should not automatically flow through to state law without our having the ability to veto it.

Mr Bradshaw: Is it your policy to keep states' rights? I have had the feeling for a long time that the federal policy is to get rid of the States.

Dr GALLOP: Some federal members of Parliament do not like state governments. Of course, John Howard is one of the best centralists we have ever had throughout Australian history. I think we will see that again. I made this distinction the other day. There are two sorts of centralists. First, there is the Paul Keating centralist, who is what I call an expansive centralist. He has a vision for Australia and wants to incorporate all of us in that vision. The one thing I will say about his centralism is that it tends to benefit all of us. Then there is the centralism of John Howard which is what I call stingy centralism.

Mr Bloffwitch: You don't think this is political?

Dr GALLOP: I ask the member for Geraldton this question: Did real Commonwealth Government outlays go down or up in this Federal Budget? Did real Federal Government outlays on the States go up or down in this Budget? I will give him the answers, if he likes. Real government outlays spent on the Commonwealth went up in this Budget and real commonwealth outlays on the States went down. That is John Howard for us. He knows where his bread is buttered - it is buttered in Canberra.

Our position is conditional on the sovereignty of this State Parliament being protected. I ask the Minister to indicate whether that will be the case and, when it comes to the Government being involved in the forums to discuss changes to the code, whether there will be consultation with the State Parliament. With those comments, on behalf of the Opposition, I express my support for the Bill. It represents another step forward in the development of our nation. It means there will be more accountability in the market place that will involve not just private corporations, but also the Government. More accountability, rather than less, is a good thing. That being said, the Labor Party also points out that it does not believe the simplistic and ideological application of free market principles would be in the interests of our community. However, we are assured of the fact that this legislation provides a framework for those who believe restrictions and regulations are in the public interest to have their say and to convince not simply statutory authorities like the Australian Competitors and Consumers Association, but also State Parliaments and State Governments of the value of what they say. Given that qualification exists in this legislation, we are willing to support it.

MR THOMAS (Cockburn) [12.01 pm]: I am very pleased to have the opportunity to follow my colleague the Deputy Leader of the Opposition in representing the Opposition in this debate. As he indicated, the Opposition supports the Bill. I understand that the Government intends to move an amendment to the legislation at some stage because, once again, a drafting error has been found in relation to starting dates. I am not sure of the details, but the Deputy Leader of the Opposition has told me that that is the Government's intention. The member for Geraldton may be interested to know that once again we are to have retrospective legislation to cover up yet another stuff up by this Government.

Several members interjected.

Mr THOMAS: We certainly have. Members opposite exposed some of the major resource developers in Australia to very serious prosecutions under federal trade practices law and we had to fix that retrospectively. Once again we are fixing up errors as a result of the Government's stuff ups. However, that is only a small part of what we are doing today. The main task before us is to support the principal Bill.

Of course, this process is part of the Hilmer reforms, which include the notion of having a seamless Australian economy resulting from reform and competition, and that extends throughout if not the whole economy then a great part it. For those parts where competition does not apply, there will be some explicit, open demonstration of why that should be the case.

Mr Bloffwitch interjected.

Mr THOMAS: As the member for Geraldton says, that transparency is a good and desirable thing.

However, the Government will not be quite as eager to acknowledge that this is one of Paul Keating's great achievements. It is part of a process that occurred during the 13 years of the Hawke and Keating Governments, when the Australian economy was opened up and exposed to international competition and brought into the latter part of the twentieth century.

Mr Tubby interjected.

Mr THOMAS: I am glad that the member for Roleystone agrees. Perhaps one by one all of the members of the Government will state that some major economic reforms were achieved during the Hawke and Keating Governments and that Australia and the Australian economy is much the better for those processes.

Mr Bradshaw: But they fell down in one area: Industrial relations.

Mr THOMAS: I have a list, but I do not want to spend too much time talking about the great achievements of the Hawke and Keating Governments. However, the third item on the list is flexibility in the labour market.

I will refer first to the opening up of the financial markets. Can members remember going to the bank in 1983 - before the opening up of the financial markets and the introduction of the competition that we now have in the finance industry?

Several members interjected.

Mr THOMAS: One had to make an appointment to get a loan and wait a long time. Now there is competition for business. That is at the consumer level; we have also opened up access to capital for Australian industry. Most people would regard that as one of the great reforms. Deregulation of the dollar was an earthshattering move at the time and one that Malcolm Fraser never considered, nor the deregulation of the financial markets.

We have also had flexibility in the labour market. The Minister for Planning - who is no longer in the Chamber - seems to think that there have been no achievements in that area. That is quite wrong. Under the accord process, the Labor Government implemented a complete restructuring of classifications in many industries. There was also

the possibility of enterprise based bargaining within the award structure and unprecedented flexibility in the arrangements that could be reached in remuneration packages.

It is part of the rhetoric of members opposite not to acknowledge that, because that process involved the trade union movement - the organised representatives of the work force - and by definition that cannot be good. However, if one looks at the degree of flexibility that existed in the labour market at the beginning of 1983 and that which existed in the market at the beginning of this year, one can see that the achievements were unprecedented - and most of them were negotiated under the umbrella of the accord with the involvement of the ACTU. This occurred, generally speaking, with the cooperation of the work force, not with their breaking down the doors of Parliament House and -

Mr Bloffwitch: Is this about the achievements of the Labor Party or the national competition policy?

Mr THOMAS: I am putting it into context that competition reform is one of the great economic reforms of the Keating Government. I would like Paul Keating and my friend and colleague Hon George Gear, who was the Assistant Treasurer and Minister responsible for overseeing the implementation of the Hilmer reforms, to be given credit for the achievements that have been made in this area.

Members opposite will be aware that I have an interest in energy policy and the concept of opening markets -

Mr Bloffwitch: Particularly in prices.

Mr THOMAS: That is right. Prices, competition and energy policy generally are areas in which I am particularly interested.

I will give credit where it is due: One of the achievements of this Government was the implementation of the process begun by my colleague the Deputy Leader of the Opposition to break up SECWA and establish two utilities, which in some sense are competing with each other, and also to open up the gas and electricity industries so that third parties can become involved in the production and delivery of energy, either gas or electricity, to various markets. I hope that ultimately it will involve all markets; that is, that households will enjoy the benefits of competition in the energy market. At the moment it affects large scale consumers of primarily gas and electricity.

The Government's statements in this area in many cases are simply rhetoric. Its commitment to competition is as much honoured in the breach as in the observance. Members should refer to the initial statement in August 1993 by the Minister for Energy when he announced disaggregation of the gas contracts and foreshadowed the split of SECWA, which was a most important announcement and one which began the introduction of competition into the energy sector. What did we find? We found that SECWA, as it then was, was excluded from the Pilbara. If we are to free up this major area, why should SECWA have been excluded from a market that has enormous growth potential? As it happens, others were able to supply that market. It is a shame that the Minister for Energy has not bothered to be here, because this is a most important aspect of his policy.

Mr Bloffwitch: He has heard it all before.

Mr THOMAS: I am sure that he has heard it before, but he has never answered that question. I would like him to be here to explain why SECWA was excluded from the Pilbara market in 1994.

We are now witnessing the construction of the Pilbara to goldfields gas pipeline. There will be direct competition in supplying energy to the goldfields market between Western Power and the various groups that have access to the pipeline. We have had a very deft piece of manipulation of the market. The Minister stands condemned for the steps that he has taken, which deliberately limit competition in that market and place Western Power at a disadvantage. The Minister has attempted to obfuscate the fact that what he has done is tie Western Power's hands and limit the extent to which it can compete with Western Mining Corporation and various others involved in that market - who, as we all know, are good friends of the Liberal Party.

Is that the reason this has happened? The Minister has said that Western Power is not allowed to engage in marginal cost pricing. In the field of the supply of commodities and resources, it is common practice for companies to engage in marginal cost pricing. That means a company producing iron ore, for example, and wishing to penetrate a new market might sell the last tonne of iron ore at the cost of producing it rather than average out the price across the total tonnage. That is the company's decision; it is able to do that; and it is very common practice. I have no doubt that the companies which are supplying gas to the goldfields market through this pipeline will engage in marginal cost pricing, because it is a most common practice in the energy and resources area. I doubt whether any mining companies in Western Australia would not engage in marginal cost pricing, except those which supply only a single contract . Iron ore, alumina producers and many others engage in marginal cost pricing. However, the Minister has said that Western Power is not allowed to do that.

Under the Act, if a Minister gives a direction to constrain the commercial activities of Western Power or AlintaGas, he is supposed to put that direction in writing, and that has to be tabled in Parliament. That is one of the accountability measures of the electricity and gas corporations Acts. He has not done that. He has said that he has not given a direction but also that Western Power is not allowed to engage in marginal cost pricing. Is it free to or

not and, if not, is there a direction in writing? It has to be one or the other; there is nothing in between. If Western Power is free to marginal cost price into the goldfields market, that is fine and it should be able to do so. If it is not free, its lack of freedom should be expressed in the form of a direction from the Minister. However, there is no direction. The Minister has given the order but he is not prepared to put it in writing. That shows that the Government is not prepared to practice what it preaches on competition policy. The people, and particularly the industry, in the goldfields are missing out on the lower energy costs which they would have if there were a truly free market.

Another aspect of the 1994 competition policy package was the notion of a pricing authority. My colleague the Deputy Leader of the Opposition dealt with this to some extent when he alluded to the fact that the Opposition is inclined towards the New South Wales model of a tribunal or some form of pricing authority. To have transparency and accountability in fixing prices is most important when dealing with monopolies. In Western Australia we have at present virtually no accountability or any opportunity for scrutiny of the price fixing process. That has been revealed in the last couple of weeks in the energy area in this State, where we have seen prices determined. I think the Energy Corporations (Powers) Act gives the power to do it. That came out in the *Government Gazette*, which I think was issued on 25 June, which is a date you will probably remember well, Mr Acting Speaker. That was the last week of Parliament before the recess. I do not know whether it was tabled; it may well have been. As Parliament was in recess, the only opportunity we might have to debate it would be to move a disallowance motion at some stage in the future.

We find that Western Power is contemplating eroding the uniform tariff policy, as you may be well aware, Mr Acting Speaker. That is not in the regulations and so it cannot be disallowed. It has transpired that Western Power is contemplating that and it has no statutory force. AlintaGas can insist on any consumers being tariff consumers, and they can do nothing about it; they have to pay the tariff. It has also transpired that the body that meets in secret, the board of Western Power, is contemplating moves which will erode the uniform tariff policy for consumers in remote areas. Apart from the major consumers of which we all know, such as the Esperance Port Authority, they can include Catholic primary schools in the Kimberley which operate on a very tight budget.

[Leave granted for the member's time to be extended.]

Mr THOMAS: The budgets under which they operate are no doubt tighter this week than they were the week before last. They will find that they will have to pay a very substantial hike in their electricity costs. I have a letter which I should have brought here and read into *Hansard*. I will read it in the 90 second statements, if I have time. The letter is from a nun who runs a school in the Kimberley. It is doing very good work in educating Aboriginal children, but it is being hit for six by Western Power's contemplating the erosion of the uniform tariff policy. The point I am making is consistent with the oversight provisions of the 1994 competition policy package. Some sort of mechanism must be put in place so that price fixing is transparent and accountable. If Western Power is saying that it can no longer afford the community service obligation, as it sees it, of the uniform tariff policy and that the user must pay whatever it costs to provide the service, that principle must be in the open and debated. The Minister for Energy must come in here and say, "I am so committed to this policy of user pays for the cost of providing a service that I am prepared to see closed poor Catholic primary schools in the Kimberley." That is what they will have to do because they will not be able to afford to pay the cost. This matter could be debated before it came to the Parliament. Ultimately I expect the Minister to bring something to the Parliament and for it to be debated here. However, the opportunity must be available for the community and interested parties to make submissions and have their say. It is possible to do that without a large permanent bureaucracy. It could be done on a fairly efficient and low cost basis.

Another element of the Hilmer reforms which we are debating today is the question of access. It is all very well to talk about competition and the fact that the Government must not have a monopoly in any area but that it should be open to competition. That is a fine principle. However, the problem arises when we come to some of the areas we are talking about, such as energy, gas, railways and water, because of the nature of the infrastructure. One could have said the same about telecommunications, but there technology is moving very quickly. The nature of infrastructure necessary to provide services such as electricity, water, gas and railways means in practice it is impossible to have competition without guaranteeing access to third parties. These services until recently were called natural monopolies. In the past it was difficult to conceive of competition in those fields. When third party access is allowed to gas, rail, water and electricity, it is possible to have competition. The Electricity Corporation Act and the Gas Corporation Act state that there shall be competition.

A group in Western Power has been working for the last year or so on the rules under which there shall be third party access to the Dampier-Bunbury natural gas pipeline. That process, as I understand it, is pretty well complete. Parallel with that, the national working party established by the Council of Australian Governments is undertaking the same process and working out a way in which the legitimate interests of the owner - particularly us, the public - can be protected. On the other hand, ownership cannot be used to preclude access and therefore proper competition.

When SECWA did not allow, despite a legislative requirement to do so, a third party to transmit gas on that pipeline, the argument was made that there was too much CO_2 in the gas of the third party to and this would form carbonic

acid which would corrode the pipeline. The argument was used to prevent third party access. I have it on good authority from engineers in Western Power that that argument was rubbish - it was a ruse to protect the position of people involved who had a take or pay contract and needed to protect their market.

Guidelines, procedures and rules are necessary, and these are being developed on national and state levels. That is good. It is necessary, but this Government is not always prepared to allow everyone to have free competitive access to its infrastructure.

I mention in passing the Ord hydroelectric scheme at Lake Argyle. The company made a secret deal without the need for tendering which gave it 30-year access to the water supply for the generation of electricity. I have raised it on a number of occasions, and I will continue to do so as it is one of the most scandalous decisions made in this State. This Government prides itself on standards of proper conduct, but it gave away the resources base of a $70 million industry for 30 years. That company has monopoly access for the purposes of generating electricity with water from the Ord. How a Government can allow that while bringing in competition policy legislation astounds me. If it said, "We did it wrong and we will not do it again", that would be right. I have learnt much from my experience in public life, but members opposite are unrepentant. In no sense does the Minister concede that this decision was improper. I will continue to raise it with him until he acknowledges that it was improper. The events of the past couple of weeks in some sense demonstrates that to be the case. If the minister got around to answering some questions I have on notice about that matter, it might reveal that I am right. We will have that debate on another occasion.

Finally, regarding regulators, I had the pleasure of attending a seminar on guidelines for third party access to natural gas pipelines organised by the Office of Energy in Perth and attended by people from the COAG working party on those guidelines. They went through a number of issues involved and the question of regulators arose. A regulator is necessary as commercial differences will exist between pipeline owners and users. On occasions those differences must be sorted out. A regulator is needed for conciliation and, if that cannot produce agreement, the regulator can arbitrate. It has been generally envisaged by COAG that the regulator of the commercial interests regarding access to the pipeline will be the Australian Competition and Consumer Commission. I can see how that is desirable with pipelines across States. However, when a pipeline is contained totally within one State - as is the case in this State - I cannot see the necessity for a commonwealth group to be involved. I asked the chairman of the working party whether it would be possible to have a state authority, such as the Office of Energy, or another established body, perform the functions of the regulator, albeit applying national standards and rules. There is no reason that that should not be the case. As this Bill is not attacking the sovereignty of the State, it is unnecessary to go outside the State to appoint a regulator.

MR BRADSHAW (Wellington - Parliamentary Secretary) [12.27 pm]: I have found over the last 10 to 15 years that the speed of change in our society has increased. Fifty years ago things changed at a slow pace, and it is difficult for people to adapt to this rapid change. I have difficulty with the fact not that we need change in our society - we do - but that people are often the casualty of change. I have been concerned over the past few years about workers involved in changes to the Water Corporation and to the State Energy Commission with the division into Western Power and AlintaGas. During change many workers feel under threat and uncertain about whether they will maintain a job and whether they must move to another district. From that angle, I see competition policy as another phase of uncertainty for workers and people in business.

An interesting aspect of the changes regarding competition policy is that we do not have a perfect world. All the guidelines, rules and regulations can be put in place, but some aspects will never fit into those guidelines. We will find anomalies with the changes we plan to implement and reasons for not bringing in changes or competition. For example, we need to regulate the fishing industry because of the finite resource of fish and lobsters. If we let people fish willy-nilly, the resource will be exhausted. Also, over the last few years all the small operators cutting down trees in the bush have been phased out to a large extent, and Bunnings now has the right to perform that work. That situation relates to the problems associated with restricting the spread of dieback in our forests.

Anomalies in the national competition policy will become apparent. Any change that is made should be in the best interests of the consumer. I acknowledge that where there is true competition the consumer will benefit, but it is always difficult to know whether there really is true competition in the marketplace. Many businesses operate on the assumption that they will receive as much as they possibly can for the services they provide. In an atmosphere of true competition in the marketplace, people bid for jobs. So long as a number of companies are able to provide services, competition will thrive. It has been proved over the years that, human nature being what it is in our society, where only two or three companies are able to provide a service there has been collusion and price fixing.

It is all very well to have a competition policy in the marketplace, but it is not always simple to achieve that result. It will be interesting to see which industries are deregulated. For example, will hairdressing, legal and medical services be deregulated? Will people be able to practice as doctors or lawyers without obtaining the necessary qualifications from university? How will this problem be addressed if there is deregulation in the marketplace? Currently, people must pass examinations to obtain the qualifications to take up a position as doctor or lawyer. It will be difficult to work out the cut-off point in the competition policy in the marketplace. People will not take the

risk of seeking medical advice from a person who says he is a doctor but does not have the necessary qualifications. However, people will take the risk of going to an unqualified hairdresser. After all, people say that it only takes a week to get over a bad haircut.

Another anomaly is that the Federal Government has placed restrictions on the number of national health licences for pharmacies. The Deputy Leader of the Opposition said that pharmacies would come under the scrutiny of this legislation. In Western Australia there are restrictions on who can own a pharmacy and that person can have an interest in or own only two pharmacies. Consideration must be given to whether it is in the best interests of the community to deregulate pharmacies so that anyone can own as many as he likes, so long as he has a pharmacist dispensing drugs. On my travels interstate and overseas I have not seen any evidence that where pharmacies have been deregulated the service they provide is better. In many cases it is worse because the pharmacy is not operated by the owner. Consumers do not seem to be better off in an open market for pharmacies. There will be differing opinions about whether the pharmacy industry should be opened up.

Another industry dear to my heart is the dairy industry. In Western Australia a quota system is in place which ensures that for 365 days of the year there is a continuous supply of high quality milk. In the States where the dairy industry has been deregulated the price of milk has increased to the consumer and the dairy farmer is receiving less for his product. The price of milk in Western Australia is probably lower than in any other State. The dairy farmers in this State are well remunerated for their product and that in turn helps the economy in country areas. My concern, if the milk quotas were done away with in this State, is that the dairy farmer would receive a lower return for his product and the country towns would suffer because less money would be generated in them.

Mr Ripper: If the real price of milk fell, people might consume more of it and that would be of benefit to the industry.

Mr BRADSHAW: I do not think that would be the case. A litre of milk is much cheaper than a litre of cool drink. However, children prefer cool drink to milk. In that sense, milk is probably one of the cheapest drinks around, but I am sure that larger quantities of it would not be consumed if it were any cheaper.

If we were to do away with milk quotas - which I do not support - the price of milk to the consumer would not necessarily drop. That has been proved in New Zealand and the Eastern States where consumers are paying more for milk in a deregulated market. The person who suffers is the farmer. The farmers must continue to be properly remunerated to keep them in the industry which keeps the country towns alive.

Reference has been made to uniform electricity tariffs. We must make sure that the householders in the country areas are provided with power at a reasonable cost because they are the backbone of this nation. They produce this country's wealth and it is important that as many of them as possible continue to live on the land or in mining towns.

Esperance is a prime example of where this Government has moved from the situation of uniform tariffs. In that town Western Power has increased the price of electricity to the port. Industries should be encouraged, rather than discouraged. One of the biggest problems confronting Western Australia is the cost of electricity to industry. One of the reasons this State does not have an aluminium smelter is the cost of power. This must be looked at very carefully if this State is to attract more industries. With the deregulation of the electricity industry in Western Australia the cost of power is decreasing and this will lead to more industries establishing in this State. A prime example of that is the direct reduced iron plant which is operated by Broken Hill Proprietary Co Ltd in the Pilbara. Electricity prices must be kept down and when the competition policy is operating properly every endeavour must be made to ensure that country people are not disadvantaged to the extent that they will have no alternative other than to leave the country and move to the city.

I support this Bill with some reservations. I hope the Minister will take my comments on board and that the legislation will benefit all Western Australians.

MR RIPPER (Belmont) [12.40 pm]: I am pleased to support this legislation. It adopts the national competition policy as a law of this State, at least insofar as the national competition policy embodies the competition code. That initiative was pushed by the Keating Labor Government. The national competition policy and the Bill before the House today owe their origins to that initiative by the Keating Labor Government. It is noteworthy also that this initiative involves the extension of the Trade Practices Act, which was an initiative of the Whitlam Labor Government. Although the coalition parties opposite often boast about their commitment to free enterprise, it seems that Labor nationally has taken the major initiatives in the development of competition policy. With this Bill we are playing our part in the implementation of that initiative developed by Labor at that national level.

Mr Minson: Competition was happening here before Labor ever discovered it.

Mr RIPPER: There are many ways in which competition can be improved in Western Australia and many ways in which we can see enhanced productivity, efficiency and growth as a result of bringing competition into additional areas of the economy. I do not think that would have happened were it not for the initiative by the Keating Government. Nevertheless, it is good to see a shared commitment to reform across the States including Western

Australia. It is good also to see a commitment to improved competitiveness, productivity and efficiency in the Australian economy, and improved economic growth that will flow from that. Significant benefits will be achieved for Australia and Western Australia as a result of the national competition policy.

Mr Bill Scales, the Chairman of the Industry Commission, has published an article which summarises the Industry Commission's work on the potential benefits of the implementation of competition policy and related reforms. There may be some debate among academics and others about the accuracy of these estimates. However, I do not think anyone would deny that significant benefits can be attained from the implementation of these reforms. Mr Scales' article in the *Australian Journal of Public Administration* summarises the results as follows -

> When all reforms were implemented there was:
>
> An increase in real GDP of around 5.5 per cent or $23 billion each year;
>
> greater consumption possibilities of $9 billion or $1,500 per household each year;
>
> real wages 3 per cent higher; and
>
> approximately 30,000 additional jobs.

Some qualifications should be made about those estimates. However, anyone would agree, listening to them, that they are fairly impressive. They are benefits that can be gained by Parliaments changing the law regarding competition and the way in which that law is administered. If the results match those estimates of the Industry Commission. they will be fairly spectacular.

There are some qualifications. Those estimates are based on returns flowing to the Australian community over four to eight years. They are also based on the assumption that there will be simultaneous implementation of a package of reforms. Most politicians would doubt the accuracy or the appropriateness of that assumption. There is no doubt that there will not be a simultaneous implementation of a package of reforms. This Parliament is already late with this piece of legislation and as a consequence it must be amended to give it retrospective effect. There will be delays in the implementation of the package of reforms across the jurisdictions. That will occur for normal administrative reasons.

There will also be fierce resistance from some vested interest groups. The people who will benefit from competition reform are many and the ways they will benefit will be small to them, whereas the people who will be negatively affected by competition reform, the vested interests, will be seriously impacted upon and will lose some privileges to which they feel they are entitled. I have no doubt that they will campaign against various reforms in a fairly vigorous manner. The reform process may take a lot longer than the Industry Commission has assumed. The full package may not be implemented in all jurisdictions in terms of all the reforms that should flow from the legislation when it is finally being administered. Therefore, the benefits estimated by the commission will not apply in full.

Nevertheless the benefits will be significant in my view. Our telecommunications system is an example of the type of benefit we can expect. I remember Peter Ruehl in *The Australian Financial Review* describing East Germany as Telecom with tanks. That was a pretty accurate insult delivered at Telecom. We remember how resistant to customers Telecom was, and how rigid, bureaucratic and inflexible it was.

Now it has competition from Optus as a result of a federal Labor Government initiative, we all agree there has been a significant improvement in Telstra's performance. There has been also a significant improvement in the way in which it relates to its customers. It seems to value us these days in ways it did not in the past. There have been concrete results. I have been advised that the cost of international calls fell by 28 per cent between 1990 and 1994.

There has also been reform in the electricity industry across the country. We have not had any benefits yet from the full extent of competition in the electricity industry, at least on the eastern seaboard. However, I understand the process of reform in the electricity industry saw a reduction in the real prices paid by Australians for electricity in the five years to 1993-94. was going to quote a figure. However, having looked at two separate articles in the journal, I have to quote two figures related to the fall in electricity prices, which illustrates the difficulty of making assessments in this area. One article said that prices had fallen by 9 per cent in real terms and another said 5 per cent. There is some need to be cautious about those estimates. However, falls in electricity prices and telecommunications prices and falls in the prices charged by other publicly owned utilities are important. Public utilities make up about 11 per cent of the Australian economy, and the goods and services that they produce make up between 7 per cent and 27 per cent of the input costs of other industries. Improved competition, efficiency and productivity and lower prices in our public utility area are important factors in the future growth of the Australian economy.

[Leave granted for speech to be continued.]

Debate thus adjourned.

[Continued on page 4897.]

STATEMENT- MEMBER FOR JANDAKOT

Princess Margaret Doorknock Appeal

MR BOARD (Jandakot) [12.50 pm]: I place on the record my thanks to those people in my electorate who recently took part in the Princess Margaret Doorknock Appeal. This is the fourth year in succession that my office has coordinated the doorknock in our area. One hundred and fifty people took part in the appeal this year in our area.

I particularly thank the area coordinators: Carole Groves, Terri Gardener, Cheryl Donkin, Anne Hutchins, Nik Varga and Carl Lanzel - who is from Leeming State High School - and my electorate officer Lesley Gilhousen. At a time when many people criticise young people for the actions of a few, members should note that over 90 students from Leeming Senior High School took part in the doorknock this year raising in excess of $3 000. Leeming Senior High School has for the past three years won the shield for the most money collected by a school. I hope it will win that shield for the fourth successive year as the high school has raised $10 000 in the four years that it has participated in the Princess Margaret doorknock. The thanks of all people in my electorate go to these people.

STATEMENT- MEMBER FOR COCKBURN

AlintaGas, Western Power, Statements of Corporate Intent Delays

MR THOMAS (Cockburn) [12.51 pm]: I wish to make a statement about the lack of accountability shown by the Minister for Energy. The electricity and gas corporations Acts require statements of corporate intent to be presented before 30 June each year for the coming financial year as the primary means of accountability for the utilities to this Parliament and the public.

Widespread concern exists in the community about a number of aspects of energy policy. One of the concerns that I am sure we share, Mr Acting Speaker (Mr Ainsworth), is the erosion of the uniform tariff policy. Concern also exists at the proposed sale of a 50 per cent interest in the Dampier to Bunbury natural gas pipeline. A further concern has been expressed in the community that the Government may use the energy utilities as a cash cow to pay a dividend to make up for the hole in its Budget caused by the Howard federal Budget. Those concerns are real. For the second year in a row, the Minister has not complied with his statutory obligations. The Minister has not presented those statements of corporate intent to this House prior to the beginning of the financial year to which they relate. The presentation of those statements of corporate intent is now eight weeks late. We cannot gain access to the interim statements of corporate intent, because that is denied to us under freedom of information legislation. At the moment the energy utilities are operating under secret documents.

STATEMENT - MEMBER FOR SWAN HILLS

Mundaring Weir

MRS van de KLASHORST (Swan Hills) [12.53 pm]: The Mundaring Weir will overflow soon. When it was built, it was considered to be the second most significant engineering feat in Western Australia. By the mid-1890s a great influx of miners in the eastern goldfields had created a desperate shortage of water in the mining centres, and the local engineering chief C.Y. O'Connor proposed to pipe water from Mundaring to the goldfields. It was a bold, imaginative engineering enterprise. The distance involved was 525 km. The scheme was put before Parliament in July 1896 by the then Premier, Sir John Forrest. It was anticipated that five million gallons of water would be supplied daily to the goldfields. Although backed by the Premier, O'Connor was ridiculed and vilified both in print and in Parliament. However, the scheme proceeded and stands as a unique tribute to the tenacity of both the engineer and the Premier. Many significant changes have occurred to the weir and in the provision of water over many years. The goldfields water supply opened up the area between Perth and the goldfields. Visitors have been attracted to the weir since it was built. It is estimated that 150 000 day trippers visited the weir last year. I look forward to its overflowing for the first time since 1974 and invite all members to come to the weir to marvel not only at the overflow, but also at this wonderful monument to C.Y. O'Connor's daring dream and engineering genius.

STATEMENT - MEMBER FOR NOLLAMARA

Workers' Compensation, Injured Worker Case

MR KOBELKE (Nollamara) [12.55 pm]: The statement today by the Minister for Labour Relations is a reflection on the so-called success of this Government in attacking injured workers. Last week I met a couple who, with their family, are struggling to survive a work injury. Their pain and stress has been increased by the so-called reforms of the Court Government. The man to whom I refer is a mechanic who injured his back lifting an engine. He has continued to work as and when he can. He has had a discectomy and is participating in a pain management program. He wants to continue working and has done so to the extent that it may have further aggravated his condition. Intense physical pain plus the anxiety about being able to continue in useful employment and to support his family, have placed a huge burden on this man and his family. He has a clearly established an ongoing medical condition caused by that work injury. This will require medical treatment in the foreseeable future and, possibly, further expensive surgery.

He is now informed that his present prescribed amount for medical expenses is running out. In order for a further amount to be made available to him to meet future medical expenses, he and his wife must meet strict criteria and be put through the third degree. They are required to reveal their personal assets and income in order to qualify for an extension. This is further complicated by a dispute between two different insurers, following which he was called to a conciliation and review hearing. At that hearing this man was grilled for an hour by lawyers representing the insurance companies, without his having legal representation, despite his protestations. He was abused by lawyers representing the insurance companies.

STATEMENT- MEMBER FOR WHITFORD

Police Service, High Speed Pursuits

MR JOHNSON(Whitford) [12.57 pm]: I state my support in Parliament today for the Western Australia Police Force in its actions when pursuing car thieves. It is tragic when these car thieves are such young people and when death is a consequence of their actions. However, the police would be failing in their duty if they did not pursue them.

Dr Watson: They are children.

Mr JOHNSON: Very often these car thieves use these vehicles in armed hold-ups and ram raids. They often drive at breakneck speeds and kill innocent people. It is totally irrelevant whether they are children or adults; they are still car thieves. The police would be failing in their duty if they did not apprehend them. The minority groups that say the police should not spend their time doing their duty under constitutional law should spend their time speaking to and dealing with these people. They should try to persuade them to live within the law and to use their time more constructively. It is a terrible tragedy when a 14 year old or 15 year old child is allowed to steal a car. Some people say they should be allowed to steal the car and the police should not chase them, but should wait until the car stops, after driving at breakneck speeds, and catch them when they are running away. That is absolute nonsense. The police would have no hope of catching those young people and they must do their duty.

STATEMENT - MEMBER FOR MAYLANDS

Maylands Railway Station and Bridge Complaints

DR EDWARDS (Maylands) [12.58 pm]: My statement concerns the Maylands Railway Station and, more particularly, the bridge across the railway line. The station and bridge are extremely old, to the extent that the parcels office attached to the station has heritage value. At the moment we are preparing a conservation plan to establish the heritage value of that office. The issue I raise is the steep bridge at the station. I have received numerous complaints from constituents who have either tried to cross the bridge and have fallen, or who must avoid the bridge because it is so steep. To test the situation I took my son in a pram over the bridge a few weeks ago. It is extremely difficult to use and dangerous. The problem is compounded because the railway line in Maylands bisects the suburb, and people need to use that bridge to cross the railway line to access services such as the post office, the church and the shops.

Westrail has carried out a survey of that station, which indicated that the station and bridge were patronised 12 000 times a week. That figure is not surprising, given the success of electrification and the low rate of car ownership in the suburb of Maylands. I am concerned because many of the patrons are disabled or are from the Blind Institute, and they find this bridge extremely dangerous to cross.

I call on the Government to act now to improve the facilities on the site. I also call on the Government to help get people out of their cars and into public transport.

Sitting suspended from 1.00 to 2.00 pm

[Questions without notice taken.]

MOTION - STANDING ORDERS SUSPENSION

Police Service, Judicial Inquiry into Conflicts at Senior Levels; FBIS

MR RIPPER (Belmont) [2.33 pm]: I move, without notice -

> That so much of the standing orders be suspended as is necessary to enable consideration forthwith of the following motion -
>
> > In the light of extraordinary revelations concerning the operation of the Western Australia Police Service, and the abject failure of the Minister for Police to comprehend and deal with developments, this House calls on the Premier to establish immediately a judicial inquiry into conflicts at senior levels of the Police Service and the propriety of the relationship between the service and Forensic Behavioural Investigative Services.

I understand that the Leader of the House will confirm the Government's support for the suspension of standing orders, if not for the motion, on the basis that no more than an hour of the time of the House will be spent on the debate.

MR C.J. BARNETT (Cottesloe - Leader of the House) [2.34 pm]: The Government is very wary about the Opposition frequently moving motions to suspend standing orders. Equally, under the procedures of this House, the Government is conscious that if it does not agree to such a motion there can be an extended debate about whether to suspend standing orders. In a parliamentary sense that is very untidy. However, in this case, although I am sure members on this side will not in any sense agree with the motion, I concede that it is a matter of current attention within the community. On the basis that the debate will not go beyond an hour, the Government is prepared to agree to the suspension of standing orders.

Question put and passed with an absolute majority.

MOTION- POLICE SERVICE, JUDICIAL INQUIRY INTO CONFLICT AT SENIOR LEVELS; FBIS

MR McGINTY (Fremantle - Leader of the Opposition) [2.35 pm]: I move -

> In the light of extraordinary revelations concerning the operation of the Western Australia Police Service, and the abject failure of the Minister for Police to comprehend and deal with developments, this House calls on the Premier to establish immediately a judicial inquiry into conflicts at senior levels of the Police Service and the propriety of the relationship between the service and Forensic Behavioural Investigative Services.

Two months ago in this Parliament this report was tabled by the Select Committee on the Western Australian Police Service.

The ACTING SPEAKER (Mr Johnson): Order! Too much audible conversation is going on in the Chamber. I cannot hear the member on his feet. I ask members to keep their conversations to a minimum.

Mr McGINTY: The committee wrote in that report -

> The Committee has found that corruption and serious misconduct within the WAPS is far greater than has previously been acknowledged, even though it is and has been known by its Senior Executive.
>
> The Committee has cited specific cases where a judicial inquiry is required in the public interest. Some submissions provided to the Committee may give rise to further instances where a judicial inquiry is required.
>
> The Committee's recommendations give direction for positive action. If they are not implemented the only other course available is the establishment of a Royal Commission into the WAPS with wide terms of reference.

That is the recommendation of a government dominated, upper House committee. It was concerned about the extent of improper behaviour and corruption in the Western Australia Police Service. Of course, in the two months since that report has been handed down, we have had a debate on the establishment of the half-hearted Anti-Corruption Commission, but we have not seen any action taken to establish the judicial inquiry into the specific matters that the report recommended be undertaken. However, since then we have seen a most alarming circumstance arise in relation to operations at the most senior level of the WA Police Service, which I and people on this side of the House believe now make it imperative that there be a proper judicial inquiry into these matters that are causing grave disquiet to anyone who is interested in propriety in public administration, proper standards of public administration and whether there has been use of an office in order to enhance private, commercial gain. In our view there must be a clear statement by the Minister for Police setting out all these matters so that there can no longer be any extremely damaging speculation of an ongoing nature about the operations and the propriety of the senior officers within the Western Australia Police Service or we will be left with no option but to have a judicial inquiry into these matters.

The first aspect that causes me great concern is the first paragraph in the report in this morning's *The West Australian* under the heading "Falconer in police reports mystery". The paragraph reads -

> Police Commissioner Bob Falconer allowed access to police files to private investigators in exchange for a secret report on his deputy Les Ayton and another on police incompetence and criminality.

That should be sounding alarm bells everywhere in the community and in particular in this House. Who is given access to confidential police files of a very sensitive nature, including files relating to the conduct and behaviour of the second highest ranking police officer in this State? Has the Minister authorised that approach? I suspect not. We need a clear statement about whether that approach was authorised by the Minister. What commercial gain is there for FBIS? The question must be posed as to when FBIS was told that it had open access to police files. Was it before it got the contract with Argyle Diamonds or afterwards? If it was told that it had access to the police files before it got the contract with Argyle Diamonds, then what has taken place is a serious case of official corruption,

a breach of the Criminal Code of this State, where a public officer has acted to advantage a private corporation commercially. If it is the case - and this is why we must have a full statement from the Minister - we must have that fully explained so that we know the time sequence. Section 81 of the Criminal Code is quite clear on these matters. I urge the Minister to have a look at it if open access to the police files was given and, therefore, FBIS got the Argyle contract on the basis that it had a special deal going with the state police. That is one of the questions arising out of this matter that must answered.

Apart from the commercial advantage to FBIS, there is the issue of propriety. It may be something into which the Commissioner for Public Sector Standards should, of his own initiative, undertake an inquiry. There should be an inquiry into the propriety of releasing confidential files. We all rely on the Police Service in this State to provide a measure of confidentiality in its operations. On what terms were the files opened for the private investigators? Was a confidentiality agreement signed? Where is that agreement if it was signed? Was any restraint in the form of any binding document placed on FBIS about the terms of its access to the Police Department files? Was its access to files limited? All these questions are of fundamental importance and go to the bases of the operations of government.

This is more important for the Police Force than it is for many other government departments. The Police Force occupies a unique position in Western Australia and throughout the western world. The Police Force operates in a semi-military fashion and with a significant measure of autonomy from government. It cannot be directed on operational matters by the Government of the day. That is a strongly established convention in countries that have a system similar to our own. That very important distinction must be observed. However, it should not be used by the Minister to deny any responsibility for his inaction in this matter. It places on the Commissioner of Police of the day an obligation to ensure that the way in which the police conduct themselves when providing access to confidential information to a private company is completely above board. The way in which this matter has been handled has been an unmitigated disaster, not only from a public relations point of view, but also from the point of view of confidence in the way the police go about these matters.

I turn to the Minister's role in this matter. I was appalled yesterday in the House when he said that he had neither called for the reports into this matter that besets the Police Service nor had he read them. As an accountable Minister responsible for the Police Service in this State, I would have expected - as everyone in this House would have expected - the Minister to familiarise himself with something that questions confidence in the Police Service. He failed in that duty that he owes to the Parliament and to the public by failing to call for copies of the FBIS reports and the Australian Federal Police report and reading them. If he had read them he would be aware of the allegations that allege, so I am told, corruption at the highest level in the Police Service. That is not something that the Minister can turn away from and say that it is an operational matter internal to the Police Force. He owes a duty to this Parliament and to the people of this State to ensure that the Police Force is running properly. When allegations of corruption and impropriety are raised, it is his duty to pursue those matters and ensure that appropriate action is undertaken to root out corruption and set up new systems to ensure it does not happen again. However, he has not even bothered to call for the reports, let alone read them. That is the first area in which he has failed us.

Secondly, he told the House yesterday that he was unaware of the two reports which were prepared, apparently at the instigation of Mr Falconer, which deal with the conduct of his deputy, Les Ayton, and with criminality and incompetence in the Police Force. It should be a fundamental part of his job to be at least aware of them, even if he does not call for them or read them. It is appalling for the Minister to say that he is not aware of them when this matter has been nagging away at public confidence in the Police Force and causing enormous alarm and concern. If I were the Minister, I would have gone to the commissioner and asked him why I was not told. I would also have demanded an immediate and honest response from him about why I was not told of the existence of those reports. Because the Minister was, firstly, unaware of their existence, secondly, failed to ask for them and, thirdly, failed to read them, he has failed in his most fundamental duty; that is, to oversee within the Police Force the proper investigation of allegations of corruption and impropriety at the highest level.

If the Minister believes that he has no responsibility for doing that, I ask him what on earth he is doing as the Police Minister in this State. If he does not have a duty to oversee very serious allegations of corruption and impropriety in the Police Service, we might as well not have a Police Minister. I ask him again, as I did yesterday, what are his duties and responsibilities for these matters? He could not answer that question yesterday. I hope he has had time to reflect on this important matter.

Notwithstanding the special relationship of the Police Service with the Legislature and the Minister, the Minister has a duty to bring these matters to the public's attention and he has failed us. He did not ensure that the Police Department operated in a proper, above-board fashion by investigating serious allegations of criminality and corruption. The buck must stop with him. It is not good enough for him to say that it is an operational matter or that he should remain at arm's length from them. It is improper for him to remain at arm's length from these sorts of allegations. On a day to day operational basis, the Minister should not become involved in directing a murder inquiry or something of that nature. This is different. It has now mushroomed into a matter of grave concern to the community. The public wants clear and decisive action taken. That has been sadly lacking.

I thought it was unkind for the editorial in this morning's *The West Australian* to refer to the Minister for Police as "the inert Police Minister". However, the message was that action is required of him, otherwise he is taking his pay under false pretences. Until now there has been no sign of life in the Minister on these matters. It requires much more from him than we have seen so far.

We had the equally remarkable revelation today that the Australian Federal Police report which has been paid for by the taxpayer of in this State and which has not yet been seen by the Minister according to his answer in the Parliament yesterday, is currently in the process of being censored - I do not use that term to detract from it. However, before matters that might impact on any trials or subsequent legal proceedings were removed from it, it was handed to a private security agency, a firm of private investigators. On what condition was it handed over? If the Minister cannot trust members of Parliament, who are elected by the people of this State, and give us a copy of the report, what on earth is he doing giving it to a private investigatory firm, presumably without any safeguards for the public interest? If there were safeguards and there is a contract that requires confidentiality, will the Minister table that contract so that we will no longer fear that a most sensitive report has been passed to a firm of private investigators with absolute disregard for the conventions? For the Minister to open the books and hand over reports to the private sector is highly improper behaviour and we have had no accounting of it by the Minister so far.

I believe that the Minister has failed the people of Western Australia because he has not ensured that propriety prevails in the way the police handled this matter. I was appalled by the Premier's response today. The end justifies the means seemingly! According to the Premier's response today, one can engage in impropriety or unacceptable and unprecedented behaviour if the end justifies the means. During question time today, the Premier failed to address what standards he expects from a senior public servant, the head of the Police Service in this State, and what standards he expects from the Minister.

He blithely put them to one side and refused to answer the questions. The fundamental question at stake is the standard of propriety expected in the Police Service and of the Minister for Police when handling a difficult matter of this nature. The Minister has failed to deliver the level of accountability and honesty we require, and the Premier has failed to lay down the standards he expects of both the Minister for Police and the Commissioner of Police on this occasion. It has become a matter of major controversy and the allegations are dripping out drop by drop. No doubt that will continue and it will sap confidence from the Police Service unless the Minister for Police takes some very decisive action.

Mr Court: Are you serious about having a judicial inquiry?

Mr McGINTY: If the Premier had been sitting in the Chamber when I was addressing the questions, he might have understood the serious matters of propriety involved. I asked the Premier a question in question time this afternoon which he refused to answer. I asked whether he believed the opening of confidential Police Department files to a private firm of security agents, which may have advantaged them financially, was improper. The Government should inquire into the behaviour of the people associated with this matter. Many inquiries have been held into the Argyle case and no doubt legal action will follow from a number of those inquiries. However, the question on people's minds now is whether the Commissioner of Police and the Minister for Police have acted improperly. When the Premier today refused to answer the questions relating to propriety, it indicated to me and to many other people that serious issues of propriety involved in this matter must be dealt with because the Premier is running away from them.

I refer to some entries in the diary of former Deputy Commissioner of Police, Les Ayton, which may throw some light on these matters. On 4 September 1995 the following entry appeared in that diary -

> CP has the Argyle report of the FBIS. He has read it over the weekend and there are serious issues for WAPOL. Says the report requires further inquiries to be made and he intends having a senior group from AFP from outside WA do the job. Says serious issues of corruption are alleged up to very senior ranks, reaching to at least Frank Zanetti the former deputy commissioner. Did not ask for my comment or input so remained mute. Says also that the inquiry vindicates Robin Thoy . . . I am concerned that this will go sour on everyone. For a private inquiry agent to be allowed absolute access to police files for a private client and as a result then commence a high level inquiry may work if all goes well. The chances of it going wrong for WAPOL and this Commissioner of Police are high but I suppose they are the risks. CP is prepared to take them and repeatedly says he wants to keep me out of the decision making on this issue. Am happy to do that but he does run a risk. Am disappointed the people from the AFP did not want to speak to me before their report given that I told the CP the role that I played . . .

On 8 September 1995 the following entry appeared -

> He reiterated to me the importance of keeping the contents of the FBIS report that he held secret to avoid leaks and he told me that John Burton of Argyle had delivered their report to him on that afternoon for the express purpose of him holding it so that it could not be subpoenaed in court.

That is of concern. On 15 September 1995 the following entry appeared -

> Midmorning CP advised meeting with OCC re the FBIS report. OCC now hold all three copies. One on police alleged incompetence/criminality; one prepared for Argyle; and one specifically relating to my alleged involvement.
>
> Apparently (AFP) Commander Bill Stoll will access the reports as needed at OCC. Am somewhat concerned that a specific report has been prepared on me. No explanations on why this has been done. The commissioner keeps repeating he wants me kept out of the information loop on this issue to ensure an uncontaminated. Is very difficult to resist the thought that there is an agenda here and that at some stage all of the events that are happening will cause me to go into full attack mode. My growing feeling that a royal commission is the only answer is being echoed at IAU.

Finally, the entry on 27 November 1995 stated -

> I do not trust what's going on here. The agenda must become evident here. Certainly the more I hear of FBIS, the more I am worried about their motives. The witness protection issue is a classic. They have made recommendations about the witness protection unit on the say so of Crimmins and without so much as asking the Witness Protection Unit. Cannot understand why the Commissioner is getting these reviews done by FBIS, I do not think he realises how much damage it does to him with the troops.

That gives an insight into these issues back to 1995. I am not in this place to take sides in this dispute. The last thing in the world I want is to become enmeshed in what is a most unsavoury dispute between the State's two senior police officers.

Mr Shave interjected.

The ACTING SPEAKER (Mr Johnson): Order! The member for Melville will come to order.

Mr McGINTY: The issue is very simple; it is a matter of accountability and honesty.

Mr Shave interjected.

The ACTING SPEAKER: Order! I will take further action against the member for Melville if he disregards my calls for order.

Mr McGINTY: The public of Western Australia have a right to know the answers to the questions I have raised. We, as members of Parliament, have a right to some answers from the Minister for Police. It is a matter of grave public concern, and very important questions of principle are raised by what has been uncovered in recent days. Unless the Minister can provide a complete report, there will be no option but to hold a full judicial inquiry to determine whether corruption, impropriety or a breach of public sector standards has occurred as a result of the actions of the Commissioner of Police and, similarly, the inactivity of the Minister for Police.

I urge members to support the recommendation before the House because it raises fundamental issues. If they walk away from it, they cannot hold their heads high and say this is an accountable Government.

MR RIPPER (Belmont) [2.58 pm]: I second the motion. It is quite clear that serious factional fighting is going on within the Police Force, and has been going on not just in the latest series of events but for a long period. It is not the sort of factional fighting we might see in the Liberal Party - nasty as it is from time to time - but is a more serious form. It is not a matter of politicians campaigning for votes and trying to persuade people to vote for them. This situation involves police officers investigating each other and seeking to have each other charged for disciplinary offences or criminal offences. It appears that some police officers have for some period been using their investigative powers in pursuit of their factional vendettas within the police. That was revealed in the Legislative Council Select Committee on the Western Australian Police Service, That committee was dominated by government members, and its report made extensive reference to factional disputes in the Police Force. The committee recommended that judicial inquiries be held into a number of matters and said if the Government did not do that, a royal commission should be held. Therefore, opposition members are not the first people to recommend a judicial inquiry into events within the Police Force of Western Australia. In fact, the factional fighting and brawling among senior officers goes back more than a few years. Events that have occurred in the past few days are similar to events that occurred during our period of government when a serious dispute occurred between then Police Commissioner Bull and his deputy, Peters. It was the then Opposition, in particular the member for Wagin, now the Police Minister, who called for a royal commission. It is appropriate for this Opposition to call for a judicial inquiry into these events. A government dominated committee in the other place has called for judicial inquiries. The Minister himself when he was a backbencher in opposition called for a royal commission.

Any member of Parliament would be concerned to read the stories that appeared on the front page of *The West Australian*. The Government's response is to tell us not to make these calls because we do not know the facts. The Government apparently does not want us to know the facts because the Minister will not table any of the reports that have been discussed in their full and unexpurgated form.

The Minister will not properly answer our questions. When we asked him today about orders or memorandums to members of the Police Service asking them to cooperate with FBIS, he said he was not aware of them, although he had notice of the question for more than four and a half hours. That was plenty of time to make himself aware if he wanted to keep the Parliament informed. It is coming the raw prawn for the Minister and his colleagues to say in this House that the Opposition does not know the facts when the Minister and his colleagues are systematically denying the Opposition, the Parliament and the public the facts on this matter. It is clear that the Minister does not want us to know all that has happened at senior levels of the Western Australia Police Service.

In the absence of full openness and accountability from this Minister and in the absence of the Premier's instructing his Minister to be fully open and accountable, we must rely on the information that comes our way. That information is disturbing. The Minister tells this House that there is one report from FBIS and that he is unaware of any other reports. However, the Opposition sees information from the diary of the former Deputy Commissioner which says, "OCC now hold all 3 copies, one on police alleged incompetence and criminality, one prepared for Argyle Diamonds and one specifically relating to my alleged involvement".

Mr Court: Do you think the Corruption Commission should have it?

Mr RIPPER: I do not object to the Corruption Commission's having it, but the Minister said that there is only one report and that he is not aware of the other reports. He will not table the report that he is aware of and we have information that leads us to doubt the veracity of comments the Minister made to this House. This is obviously a much murkier affair than the Minister is letting on. It seems to me that some serious issues are involved. One of those issues is the way in which the Minister is conducting himself. It does not appear to me as though the Minister wants to know what is going on.

The Minister should have read that FBIS report and the Federal Police report. He should have satisfied himself whether there were orders or memos circulating in the Police Force requiring its cooperation with FBIS. These are serious matters on which he should expect to be questioned in the Parliament and the media day after day. Any competent or responsible Minister would make himself fully aware of the facts. I would not expect a judicial inquiry to examine the way in which the Minister has conducted himself in Parliament.

Mr Court: Should it look at how the investigations were undertaken in the past?

Mr RIPPER: I would expect a judicial inquiry to look at the allegation in the first paragraph of the major story of today's *The West Australian*. The story alleges that the Police Commissioner allowed private investigators access to police files in exchange for a secret report on his deputy. That is a very serious allegation. It indicates that a Police Commissioner has sold access to confidential police information in exchange for a report. He has paid for the report, not with taxpayers' money, but with access to taxpayers' information.

Mr McGinty: And commercially advantaged a private firm.

Mr RIPPER: I will come to that in a moment. If that allegation is true, that is appalling. It would be improper and would require the resignation of the Police Commissioner.

One more aspect that I find particularly disturbing is the access which FBIS has been given to confidential police information and the timing of that access. If FBIS was given that access before it secured the contract from Argyle Diamonds, it was given an unfair commercial advantage, a potentially corrupt - certainly an improper - advantage over its competitors. That is a very serious issue which would require a judicial investigation.

MR WIESE (Wagin - Minister for Police) [3.06 pm]: Many matters have been raised in here that should be addressed and I will endeavour to address some of them in my comments. The Leader of the Opposition said that this is all about propriety and public administration. I believe the propriety of the Commissioner for Police on this matter has been above question. As has been admitted by members opposite, people on this side of the Parliament and even ex-Deputy Commissioner Ayton, the Commissioner of Police inherited a mess.

Mr Court: We have results now, so why not have a judicial inquiry!

Mr WIESE: The Commissioner of Police inherited that situation. Members must ask why he inherited the mess now known as the Argyle Diamonds affair. A substantial part of the reason was the maladministration and lack of financing provided to the Western Australia Police Service during the final years of the now Opposition's term in office.

Mrs Hallahan: Come on!

Mr WIESE: The reality is that the then Commissioner of Police had to seek assistance from Argyle Diamonds to provide basic equipment to the Western Australia Police Service to carry out the investigation that Argyle Diamonds believed should be done by the Police Service at that time. What an appalling disgrace that the Western Australia Police Service was forced to ask Argyle Diamonds for resources to carry out the investigation into what now appears to have been $50m worth of loss of product from the Argyle mines system. When the Commissioner of Police came

to Western Australia he inherited this whole mess hanging over the Western Australia Police Service; it was an absolute disgrace. The Commissioner of Police became aware, as was everybody in Western Australia, that the ABC "Four Corners" program intended to, and did, run an expose of the police investigation into the Argyle Diamonds matter. The FBIS, a commercial company operating out of Victoria, made personal contact with Argyle Diamonds.

Mr McGinty: When?

Mr WIESE: That was spelt out in the diary of events that I read into the record. The "Four Corners" program went to air in the Eastern States on 1 May 1995, and on 9 May 1995 FBIS contacted Argyle Diamonds. I spelt out the remainder of the diary of events in this Parliament two days ago. FBIS made that contact with Argyle. Argyle then agreed to allow it to conduct the review, and FBIS arrived in Perth on 11 June to commence that review.

Very soon after the commencement of that investigation for Argyle, FBIS became aware, as it would have to become aware when it was looking at the weaknesses and faults in the Western Australia Police Service investigation of the Argyle Diamonds matter, that it was not able to get from Argyle all the information about what had happened. I understand that contact was made with the Commissioner of Police, who agreed to allow it to access some of the records of the Western Australia Police Service, particularly out of the internal investigations branch, because Argyle had previously made complaints about the way in which the Western Australia Police Service had carried out its job with regard to the Argyle Diamonds matter. The Commissioner of Police agreed to help it with that inquiry by giving it that access.

Mr McGinty: There was no discussion between Falconer and Glare prior to that time? I suspect there was.

Mr WIESE: Not that I am aware of. Members opposite must take into account the credibility and integrity of the two persons about whom we are talking. We are talking about the integrity and credibility of Commissioner Falconer. I do not think too many people, with the exception of a few members opposite, question his integrity. We are talking also about the other major party, the head of FBIS, Kel Glare, a former Victorian commissioner of police, who is highly respected across Australia.

Mr McGinty: It is a simple issue of whether there was any discussion between Glare and Falconer.

Mr WIESE: I understand what the Leader of the Opposition is saying. We must take into account the integrity and basic honesty of the persons involved. I have no doubt that Commissioner Falconer would do things with the greatest integrity, and I have no doubt that Mr Kel Glare would be extremely sensitive to the situation in which he had to carry out his investigation.

That was public knowledge nearly 12 months ago, and it was subject to discussions in the media and, I think, in this House. I am not sure whether it was subject to questions in this House. It was on the public record and in the public arena, and I think members opposite raised some of the questions nearly 12 months ago.

Mr McGinty: Is it proper for the police to open their files to assist someone in the private sector where there is no return to the Police Force? That is what leads to the suspicion that these other two reports were prepared as a quid pro quo.

Mr WIESE: I am not talking about whether there was feedback or advantage to the Western Australia Police Service. We are talking about an investigation into all the shortfalls and shortcomings in three investigations that have taken place by the Western Australia Police Service with regard to all the Argyle Diamonds matters over a period of five or six years. I fully agree that the only way we can get to the bottom of those matters is by getting access to all the material that was there. Under normal circumstances, I would probably agree that that sort of material should not be made available, but when we look at the integrity of the people who were involved and at what we are trying to get to the bottom of - that is, shortcomings over five or six years of investigations into the Argyle Diamonds matter - I believe the Commissioner of Police made the right decision in making that material available. The reports that have come forward since then and the report that I will table in this Parliament, I hope next week, will indicate clearly why he decided to do that.

FBIS carried out its investigations and then reported back to Argyle. A copy of that report was made available to the Commissioner of Police, and I believe he made that available to the Official Corruption Commission.

Mr Ripper: Are there three reports or just one?

Mr WIESE: My information is very clearly that there is only one report, and I reject all the accusations that members opposite are making against me as the Minister for Police, or against the Commissioner of Police or anyone else, because my information - and it was repeated to me this morning - is that there is only one report. The Leader of the Opposition quoted from Mr Ayton's diary. My understanding and the information that was made available to me is that Mr Ayton's diary is wrong.

The report has three segments. The first segment deals with the possible criminality of civilians. The second segment deals with the shortcomings of the Western Australia Police Service and the investigation that it had carried out over

that period of time. When we talk about the sensitivity and integrity of former commissioner Glare, the head of FBIS, I need to make members aware that the third segment of the report deals with the then deputy commissioner Ayton. Because of the sensitivity of the fact that he was making comments about the then Deputy Commissioner Ayton, Mr Glare decided that he would make that a separate segment of the report, because he was aware of the potential problems in that report and of the obvious decisions that would have to be made -

Mr RIPPER: So it is separate?

Mr WIESE: No. We are talking about the whole report. He made that a separate segment of that report, but it is part of the same report. That report, because of its sensitivity, he made available to the Commissioner of Police, and the Commissioner of Police has since acted upon it. That is the situation. There is only one report, but because of the sensitivity and the fact that potentially the FBIS report would have to be circulated throughout the police agency and to the other people who would be responsible for following up the matters, Mr Glare decided to do it in that the way. That showed a sensitivity on his part, and it was a very sensible decision.

Mr McGinty: Did that part of the report dealing with Ayton go to Argyle or just to Falconer?

Mr WIESE: That part went only to Falconer. Members opposite have again talked about my integrity with regard to my handling of this matter. I still believe my integrity stands up to whatever scrutiny members opposite want to put it under. I came into this Parliament, I think on Tuesday of last week, which was the first possible opportunity, and I indicated exactly what process we would go through with regard to the tabling of this report. I indicated very clearly that I was not in a position at that stage to table the report. I would have loved to be in that position. I had already persuaded Commissioner Falconer that I believed the Australian Federal Police report should be tabled in the Parliament. There were very clear problems with regard to doing that because of the fact that several matters in that report relate to matters that are currently before the courts. Therefore, I had to seek advice from the Solicitor General, who then had discussions with the Official Corruption Commission, the Ombudsman, and the Director of Public Prosecutions, with regard to what parts of that report could and should be tabled in the Parliament. I am still waiting on that advice. I understand advice has come back from each of those agencies to the Solicitor General. I am very close to being told what can be tabled. That is the course of action that is taking place - the one I signalled to the Parliament at the first possible opportunity - and I intend to carry through with that course of action.

I now refer to the integrity of the processes that were carried out during the Australian Federal Police report. As members will understand, that report was commissioned by Commissioner Falconer when he had the FBIS report to hand and was aware of all the doubts and problems that had been raised in the various segments of the FBIS report. He made a decision that he needed to bring in outside people to carry out the investigation and prepare that report. I totally agree with him, and I am happy that those opposite totally agree with him. It was an absolutely proper thing to do. The AFP carried out the investigation of those matters over six or seven months. From memory, the AFP report was handed to the Police Service in June or July this year.

Mr McGinty: I am a bit surprised the commissioner has now given a copy of the AFP report to the FBIS, according to what he had to say this morning.

Mr WIESE: I was not aware of that.

Mr Catania: That is a very strange argument!

Mr WIESE: I have been criticised for that. In my opinion those opposite are talking about operational policing matters and decisions. The Commissioner of Police has the responsibility to carry out all the investigations in the way he judges best. Again, I totally support that. The actions in the comments I read out in this Parliament made by Hon Ian Taylor about the Bull-Peters affair are exactly the same as I would have done. His summary of the role and responsibilities of the Commissioner of Police in a matter of that nature is exactly the same as my summary of and my position on this matter.

Mr Catania: Do you remember your comments in that debate?

Mr WIESE: I have been reminded of them since. The member has taken great delight in reminding me.

Mr Ripper: Were you right at that time?

Mr WIESE: I was in opposition at that time. I believe the integrity of the process we have gone through has been beyond reproach. I am endeavouring - it is still my intention to do this - to table the AFP report in this Parliament towards the end of next week. My understanding is that the AFP report deals with each dot point in the FBIS report. It then notes all the investigations and the findings in the FBIS report and makes recommendations. The AFP report deals with all the matters raised, item by item, in the FBIS report.

When I table in this Parliament the AFP report, all the matters that have been raised and are of concern to those in opposition and the community will be dealt with. They will be here in the public arena for everybody to see, as will the recommendations. That is a very proper process. The only possible problem with that will be if the Solicitor

General in any way indicates to me there is an inability on my part to table that report. All the information I have at this stage indicates that that will not be the case. When that AFP report is tabled in this Parliament, with the necessary excisions that relate to matters that are currently before courts, all will be visible and very open to scrutiny. That is the course of action I indicated I would take, and that I am carrying through. That is where this matter will end.

Some people in this place seem to need to ask why we are going through a drip-feed process, and at times it certainly seems we are. Where is the information coming from that is being provided to the members of the Opposition and being used here in this Parliament as part of this drip-feed process? Those opposite should ask themselves whether they are being used for various reasons, whether they may be part of a process with an agenda in sight. They can make the decisions about that. I think the general public will also make a decision about that, and I am pretty sure what the decision will be.

I am not trying to cover up anything about the processes of government, about me as a Minister or in relation to Commissioner Falconer's handling of this matter - nor is Commissioner Falconer. He has been one of the most accountable upfront persons within the Police Service in Western Australia for many years. He has continued to put material into the public arena, to take disciplinary action where it has been required; he has done everything properly in this matter. I do not believe we can necessarily say what the exact process was or what happened in the past.

Mr Catania: Do you back the Commissioner of Police in saying that he has been up-front and totally brought to your attention and the attention of the public of Western Australia all matters relating to the FBIS report?

Mr WIESE: I think all that has been done in the process we are going will be brought to finality when the report is tabled in the Parliament. That is the measure I am taking, and it has the full support -

Mr Catania: Does he have three reports or one report?

Mr WIESE: The member is thick. I have said one report and I have explained exactly what that report is all about. I know other speakers want to make comments and I wish to give them the opportunity to do so.

MR SHAVE (Melville - Parliamentary Secretary) [3.27 pm]: Today those in the Labor Party are calling for a judicial inquiry into the Police Service. In the 1980s when Assistant Commissioner Peters was having his office bugged by Mr Ayton what were those opposite, when they were in government, saying about proprietary and honesty? Today the heat is being put on those in the Police Force who have been running a system, intimidating people, and those people who were running that system do not like it. Why not? We should ask the member for Eyre what he thinks about former Deputy Commissioner Ayton? Why does the Press not ask the member for Eyre to give former Deputy Commissioner Ayton a recommendation? Why do we not ask the member for Peel to recommend Mr Ayton? I will tell those opposite why: Because all of those people have been intimately involved in the operations of the Police Department for the past five or six years.

They know what happened. They know that in the Argyle matter tens of millions of dollars were stolen. Who was the person principally in charge of those investigations, to see that that did not happen? It was former Deputy Commissioner Ayton. What happened? We had some snow jobs in those inquiries. We got a new Commissioner of Police. Against the advice of Deputy Commissioner Ayton, he agreed to stick with the investigation. Suddenly Commissioner Falconer found he had a problem. He knew there had been a problem in the Police Force for a very long time, and it did not take him long to work out there was one.

What did he do? He did the intelligent thing and had somebody from outside look into it. He was not sure who was involved, but he did not bug anyone's office like Mr Bull had Mr Ayton bug his deputy. That was really good stuff - putting bugs in offices! Commissioner Falconer said, "I have a problem; you people look into it." Members opposite do not like the fact that those people came back with some findings which affect the people they put in the highest positions in the Police Force during the Burke years.

On 2 July 1996 the member for Peel told us about a conversation between Deputy Commissioner Ayton and Robin Thoy from the Police Department who was investigating the inquiry. This is what was conveyed to the member for Peel, and we assume he is right as we know the member is accurate in some of his comments, but not all of them. He told the Parliament on 2 July 1996 that Ayton had said the following -

> "Thoy, you are to pull out of the Crimmins case. It is none of your responsibility. You are to withdraw yourself from this matter. " Robin Thoy could not believe what he heard from the Deputy Commissioner of Police. He tried to convey to the Deputy Commissioner of Police that he wanted the instruction in writing. He wanted to look the assistant commissioner in the eye while such an instruction was given. He was told by Ayton, "Thoy, you know me." Thoy said, "Sir, it is because I know you that I want to look you in the eye when you give me such an instruction. I believe that the instruction you are giving me is an unlawful instruction; it is not an instruction I believe I can obey."

That is from the member for Peel.

Mr Court: I think we might have to have a judicial inquiry!

Mr SHAVE: I think we should.

Mr Court: We might have to go back a few years.

Mr SHAVE: We should not be looking at Commissioner Falconer's activities.

Mr Court: His sin is that he uncovered a lot of them.

Mr SHAVE: Absolutely! An honest copper is at the top now, and he is starting to cause a lot of pain to people who were not too ethical prior to his arrival. How can all these diamonds be given away for seven years? It was $50m, they reckon. A couple of inquiries were held and it was all put under the counter. Now we have somebody who was in charge of the inquiries running across to our friends in the Press asking for the sympathy vote. Every time this happens, they look for the sympathy vote.

Thoy said that he believed that the instruction he was given was unlawful, and one he believed he could not obey. Another honest copper! The *Hansard* continues -

> . . . I need you, Sir, to explain to me why you are giving me such an instruction." Ayton refused to give that instruction in writing.

If members of the Press want to find out who is right and who is wrong on these issues, they should speak to Hon Mark Nevill and ask him what he knows about the Brennan case.

Mr Marlborough: Ask me!

Mr SHAVE: Yes. Ask the member for Peel, and ask the member for Eyre! They know what is going on. The wimp in the front seat opposite is trying to say, "I do not want to get involved; I want two bob each way." He has the member for Peel sitting behind him thinking that he must put up with him as his leader - my godfather! Why did we not have an inquiry when Ayton was bugging Peter's office?

Mr Ripper: Who advised Commissioner Falconer not to appoint Ayton as deputy commissioner? You said that Falconer appointed Ayton against advice - whose advice?

Mr SHAVE: The advice of a lot of people.

Mr Ripper: Your advice?

Mr SHAVE: I did not speak to Commissioner Falconer directly.

Mr Ripper: George Cash's advice?

Mr SHAVE: I do not know whether George Cash spoke to Falconer.

Mr Ripper: You said advice - whose advice?

Mr SHAVE: George Cash can speak for himself. There is no secret in our party room that I would not have had Ayton as deputy commissioner bearing in mind what was going on in the Police Force when it was the previous Government's department. No question about it: Ayton knows that, and with very good reason. The truth is coming out now. One cannot hide the truth. Members opposite can try to cause trouble prior to an election, but they must get used to the fact that the truth will come out. Commissioner Falconer has been in the post for one year, and prior to that he had no contact with the WA Police Force. He was not involved with the grubby deals which took place when the Burke Government was in control in this State. However, the commissioner is intelligent enough to know that he has seen it before in Victoria and other Eastern States, and he is trying to fix it. What does the Leader of the Opposition do? He tries to denigrate a decent commissioner trying to do his job. Why do members opposite not get behind the man to get rid of the rubbish which has been causing the problems for the last 10 years in this State?

Mark Nevill said yesterday in the upper House, "I think Falconer is renewing the Police Force." This is a Labor member. The leader of members opposite does not have the guts to support the commissioner, but Nevill supports him - he has been involved. Nevill also said -

> I think Falconer is renewing the Police Force, but at the same time he is hosing down the problems that exist; he is not confronting those problems.

Perhaps, the commissioner is being too nice. Mr Nevill also said about Falconer -

> In my view he has been doing the former deputy commissioner too many favours.

I agree with him, as do the members for Peel and Eyre. I do not know, but I suspect that George Cash would also agree.

Question put and a division taken with the following result -

Ayes (18)

Ms Anwyl	Mrs Henderson	Mr Ripper
Mr Catania	Mr Kobelke	Mrs Roberts
Mr Cunningham	Mr Leahy	Mr D.L. Smith
Dr Edwards	Mr Marlborough	Mr Thomas
Mr Graham	Mr McGinty	Dr Watson
Mrs Hallahan	Mr Riebeling	Ms Warnock *(Teller)*

Noes (27)

Mr Ainsworth	Dr Hames	Mr Pendal
Mr C.J. Barnett	Mr House	Mr Prince
Mr Blaikie	Mr Johnson	Mr Shave
Mr Board	Mr Kierath	Mr W. Smith
Mr Bradshaw	Mr Lewis	Mr Tubby
Dr Constable	Mr Marshall	Dr Turnbull
Mr Court	Mr Omodei	Mrs van de Klashorst
Mr Day	Mr Osborne	Mr Wiese
Mrs Edwardes	Mrs Parker	Mr Bloffwitch *(Teller)*

Pairs

Mr Brown	Mr Cowan
Mr Grill	Mr McNee
Dr Gallop	Mr Nicholls
Mr M. Barnett	Mr Minson

Question thus negatived.

WESTPAC BANKING CORPORATION (CHALLENGE BANK) BILL

Second Reading

Resumed from 22 August.

MR THOMAS (Cockburn) [3.42 pm]: The Opposition supports this legislation with a few reservations. It is concerned about the direction being taken by the finance industry in this State. I would appreciate the Treasurer's response to the Opposition's concerns. The principal concerns the Opposition has were expressed at the time this House debated the BankWest legislation. The Opposition believes that eventually there will be no financial institutions based in this State.

Mr Court: BankWest will be.

Mr THOMAS: I certainly hope it will remain in this State. The Treasurer is aware that that was one of the major concerns the Opposition had about the options which were considered when this House debated the privatisation of that institution.

The economic development of this State is moving into an era which has been described in some circles as a maturing of the Western Australian economy. A level of prosperity is evident in the resource based industries. Although, on some occasions, it is talked up to a level beyond what it warrants, to the extent that there is any prosperity and growth in this economy, it is being fuelled by the resources sector. Notwithstanding that, anyone who has studied the recent history of this State would agree that this resurgence is different in a number of respects from what has taken place in the resource sector in the past. Firstly, there is a greater degree of further processing involved in the development of resources. The State is developing more processed products from ore. The attitude of the community to the relevant resources is also maturing.

This Government has been dragged screaming to that maturity, but it is occurring. Universally, it has been accepted that all developments, particularly resource developments, must occur in a manner which is environmentally sound. About 20 years ago the then Premier described conservationists as fifth columnists. Now, they are part of the process and that is how it should be. The Government has been reactionary to the native title issue but, because of the decisions of the High Court, it will be addressed. The mature sections of the resource industry are also addressing that issue. I have no doubt that in time it will not turn out to be the bogeyman of the resources industry that the Government predicted it would be, in the same way that conservationists are not fifth columnists when it comes to the development of the community.

The community is maturing and it is taking a broader view of issues, which is something that did not occur in the 1960s resources boom, and the then members of the Government, compared with the attitude of members of this

Government, could be described as rednecks. In addition to the general attitude, there is a sophistication and maturing in the development of commerce and industry. In other times of economic prosperity in this State the resources industry was essentially exporting unprocessed ore. The companies which were doing that were, for the most part, not Australian owned. The servicing of those developments was undertaken by companies from outside the State. The State had neither a financial sector nor engineering, accounting or information technology services to provide the financial services for such sophisticated development. Today the State is confronted with quite a different situation. The economy and the society are more mature than they have ever been. It is very important, from the Opposition's point of view, that there be a substantial finance sector.

The Treasurer said, by way of interjection, that BankWest will remain in Western Australia. The Opposition believes that should be the case, and it hopes he is right. It hopes that at some stage it will not be faced with the Government saying it has been made an offer which it cannot refuse and BankWest will have to relocate. I was pleased with the decision which was made about the sale of BankWest when an offer eventually came from an institution which had a substantial presence in the European Union and also had substantial experience in financing the resources industry. If Perth, in particular, and Western Australia in general, is to become a financial and economic centre in the South East Asian region, which it is capable of doing, it is necessary for the State to have financial institutions which have links into major financial centres. Obviously Western Australia, on its own, is not able to provide that. The State must have links into other financial centres, in particular those which have experience in financing the resources industry. This State now has that in the Bank of Scotland in relation to BankWest.

We are yet to see whether this will come to pass, but I hope that a European bank will take the opportunity to buy into BankWest and use it as a launching pad into the South East Asian market. One of the great opportunities for the development of the economies of Australia is in servicing the neighbouring economies of South East Asia, which are going through a remarkable growing phase. There will be huge markets there for financial, insurance and other services which economies need. I hope that with BankWest having a partner from the European Union it will be looking at establishing a presence in Asia.

The extent of prospects in South East Asia for Australian businesses, apart from the mining industry, and to a lesser extent the engineering industry, in which traditionally we have expertise, was illustrated to me recently when I received a prospectus for the National Mutual company. For many years I have had a life insurance policy with National Mutual. Members may be aware that it is being "demutualised."

Mr Court: It sounds painful.

Mr THOMAS: I will tell the Premier during the month, when shares are allocated, how painful it will be. Members of National Mutual are being offered the opportunity to take up shares. I have become a shareholder for the first time in my life by ticking the right box. I have 416 shares in National Mutual.

Mr Court: I hope you leave the Chamber when you are making decisions in which they are involved.

Mr THOMAS: I will disclose my interest.

The prospectus that National Mutual sent to induce me to take up its shares lists its subsidiaries and associated companies and various growth projections for the next five or perhaps 10 years. It regards one of its subsidiary companies, National Mutual Asia which is based in Hong Kong, as having the greatest growth prospects in the years to come. If the Western Australian financial sector can maintain its presence in Asia there are huge markets for financial services, which all economies require.

In the case of BankWest, it was hoped that a partnership with an institution from the European Union would provide a vehicle to establish a presence in Asia, and, therefore, an offer from an Australian bank would have been the worst of all options. That might be what we have here with the Challenge Bank. The instinctive reaction of nationalists to the announcement of the sale of BankWest was to ensure it was bought by an Australian institution. However, had it been purchased by an Australian institution, there would have been that inevitable pressure to relocate to Sydney or Melbourne and not to have two headquarters. If BankWest had been purchased by a bank based in Europe - with no pre-existing base in Perth - one would expect and hope that it would use Perth as a base to build up a penetration into the Australian and Asian markets.

The Opposition is aware that institutions, for the most part, must make their own decisions and this Parliament must facilitate their operations with legislation that is used to constitute those institutions. The Challenge Bank - hitherto the Perth Building Society - is a venerable part of the Western Australian economy. That operation has funded the purchase of many people's homes and other activities. It is inevitable with the restructuring that is taking place within the finance industry that an institution such as that would not survive on its own without entering into an arrangement of one form or another with a financial institution outside of Western Australia. To that extent, a degree of sadness is involved in this. I still hope and trust that the maturation of the economy of Western Australia which is reflected in many ways, most notably in this Bill with the development of sectors servicing industry - for example, finance and insurance sectors - will enable finance corporations to continue to be based in Western Australia. If we

do not have those sorts of services for the resources and other industries, the economy will be less diverse and will suffer.

MR RIPPER (Belmont) [3.55 pm]: I express my concern about the future employment prospects of people in the banking sector. I would like some response from the Treasurer on those matters. I am not so much asking about the future of Challenge employees -

Mr Court: My son is a Challenge employee. I want to know the answer.

Mr RIPPER: The Treasurer would understand the feelings of many people around the country and their families.

I note the speculation in financial circles about further rationalisation and amalgamation in Australia's banking sector. It is suggested that the number of major banks will be reduced to three or even two. In a report on the Australian economy the McKinsey company has suggested that barriers preventing further rationalisation in the banking sector should be withdrawn. In other words, for the future productivity and competitiveness of Australia's financial sector we should withdraw the measures that inhibit further amalgamations in the banking sector. If there are further amalgamations in the banking sector some 20 000 or 30 000 jobs across the country will be placed at risk. That is in a context where banking jobs are already becoming more insecure because of the development of electronic and telephone banking facilities. It would be a serious employment crisis for this country, and this State, if further amalgamations were to occur and 20 000 to 30 000 banking sector redundancies had to be instituted. What is the State Government's position on these matters? Has any consideration been given to what the State will do if further amalgamation of Australian banks occurs?

MR COURT (Nedlands - Treasurer) [3.58 pm]: I thank members opposite for their contribution to this debate, and for their cooperation in proceeding this legislation through this House. This procedure has been carried out in circumstances where there have been mergers of this type. The legislation enables the companies, and in a way the Government, to expedite a merger and for the State to be guaranteed all of the revenues that are due to it and procedures can be sped up.

The member for Cockburn queried whether the Government was concerned about the number of financial institutions we may end up with in Western Australia. We have always been concerned about that, and that is the reason we deliberated long and hard about the different options available on the BankWest sale. We wanted to ensure that a strong national financial institution would be developed, based out of Western Australia. Mergers occur in many industries. As some operations become larger, it is easier for some of the smaller providers of financial services to do well. We still have some building societies and credit unions to fill the gaps. It has become a competitive business. On the positive side, I believe the economic growth in Western Australia will see the establishment of much stronger financial institutions, as well as stronger operations of some of the Eastern States operations based here. The other day I was talking to a person who runs a merchant banking operation out of Sydney. He seems to be over here all the time. I asked him why he did not come and live here and he said that he might as well because the bulk of his business is in Western Australia. That business operates in the resource sector in Western Australia, and that is a sign of our development and growth.

The member for Belmont referred to future employment opportunities. They are a concern, because obviously there has been considerable rationalisation, labour shedding and branches closing down. That has been going on for years. When automated banking was first introduced, because I am computer illiterate I thought that it would not take off, but I accept that it is becoming more convenient to use the available technology to carry out banking services. That feature in itself signifies that the nature of a banking operation - a retail financing operation - is changing considerably, in many ways for the better. These days, bank officers will come to a person's home at any time of the day or night and offer a home loan -

Mr Ripper: That depends on how much the person already owes.

Mr COURT: It appears that the more a person owes, the more he can get and, of course, the harder it is to pay it back. However, it is such a competitive environment they must get outside the branches to attract that type of business.

Employment opportunities were one of the main factors we took into account with the sale of BankWest. We did not want it to be swallowed up by another national, which would undertake rationalisation and shed people. I do not know the detail of what will happen with Westpac. There has been considerable branch rationalisation. I hope that in country centres where no cash handling facilities are available, some arrangements can be made. It would be foolish not to make such arrangements to provide those services in those communities. I believe with the Westpac-Challenge Bank merger, the Eastern States operations have been on-sold. I think that the Victorian operations of Challenge Bank have been on-sold to the Bank of Melbourne. A great deal of change has taken place. I agree with the member for Belmont that those factors must be watched closely. We will watch them closely. I thank members opposite for their support of the legislation.

Question put and passed.

Bill read a second time, proceeded through remaining stages, and transmitted to the Council.

Third Reading

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

COMPETITION POLICY REFORM (WESTERN AUSTRALIA) BILL

COMPETITION POLICY REFORM (TAXING) BILL

Second Reading - Cognate Debate

Resumed from an earlier stage of the sitting.

MR RIPPER (Belmont) [4.05 pm]: Before lunch I was talking about some of the benefits that would accrue nationally and to the State as a result of the adoption of the Competition Code. Now I wish to talk about some of the detriments that might occur. The first negative aspect of the Bill is the shift in power from the state to the federal level. There are benefits in having a single national competition regime and a single agency charged with enforcing the Competition Code, but that involves a reduction in the power of the State. I understand amendments may be made to the Competition Code; that the States will have an influence on the amendments made by the Commonwealth; but no State will have a veto on any amendment. A State may be faced simply with the choice of accepting an amendment to the Competition Code or withdrawing from the agreed arrangements with all the detriments that may occur to the State, if that takes place.

The Bill provides some scope for state administration of certain matters through the Commercial Tribunal acting at a state level in place of the Australian Competition and Consumer Commission. I hope that the Minister can indicate how the provisions might work in this State and what sorts of matters might be administered at a state rather than national level. There appears to be some scope for discretion in this regard. I will be interested to know how the State Government proposes to exercise that discretion.

Another problem that will arise with the agreements between the States and the Commonwealth on competition principles and the adoption of the Competition Code, is the treatment of community service obligations now entered into by publicly-owned utilities. In Western Australia some significant community service obligations have been accepted by our public utilities; for example, the uniform power tariff introduced by Western Power which is now starting to be eroded at the edges for new and other consumers in some circumstances in remote areas when they increase the amount of power consumed.

We have a substantial cross-subsidy of country operations within the Water Corporation; and Western Power and the Water Corporation subsidise pensioners and other low income earners. I understand that the amount of money involved in the cross-subsidies for pensioners and other low income earners is very large. I am not sure of the latest figures. That is one example of the problem that community service obligations performed by cross-subsidisation tend to be given a low profile and to be less subject to scrutiny than a budget allocation of a similar amount. In some ways it is a good thing that community service obligations will be subject to more scrutiny through the budget process. It has been a deficiency of our budget process that anything that is delivered by way of a cross-subsidy within the accounts of a public utility or by way of a tax concession is much less subject to scrutiny than something that is delivered by a direct budget allocation. The effect on the public revenue and the benefit to the individual is the same in many cases. If it is done by direct expenditure, members go over it in the budget debate and in the Estimates Committee. A line item in the Budget is there for everyone to see. However, if it is done by cross-subsidy, it is often difficult to determine what happens. There is no parliamentary scrutiny of the accounts and there is little public awareness of the extent of the moneys that are allocated.

It is not only a parliamentary problem, but also a problem within the budget making process of a Government. It may be different inside this Government; I hope it is. However, my experience in the previous Government was that whole of government scrutiny and scrutiny from ministerial colleagues was less if a Minister was responsible for a public utility or an agency that generated its own income than if he was responsible for a consolidated fund agency. Those differences should not exist. There should be equal scrutiny within government and Parliament for each of those categories of expenditure. However, these differences do exist.

Once community service obligations become budget items rather than items buried in the accounts, they will be subject to more scrutiny and pressure will be applied for them to be cut. I understand the fears of people in country areas. I understand why welfare groups might be concerned about the electricity supply charge concession and other concessions. In the past those concessions have continued without argument; however, in the future groups that are interested in those concessions continuing will find that they must defend them. They will have to argue for them and see them challenged by other budget priorities. If members care about people who live in remote or country areas and people who are pensioners or are on low incomes, they must be more upfront and more determined in arguing the case for those concessions. Once a State Government loses revenue - perhaps if a slowdown in economic growth

occurs and a Treasurer looks for savings - these large expenditures on country subsidies and subsidies to low income earners will become easy targets for the Treasury.

That is one possible negative social effect from the adoption of this Bill; however, I can see that there might be others. I support efforts to make public sector agencies and publicly owned utilities more competitive and efficient, but there is a downside to that. That downside was brought home to me recently when a 56 year old constituent came into my office. He had worked for Westrail since he migrated to the country when he was 19. As a result of the drive to improve the efficiency of Westrail he accepted a redundancy payment. That is good for the bottom line accounts of Westrail. However, it was not good for him because his only experience is in Westrail. He has no skills that make him employable and it is highly unlikely that he will get a job in the future. What have we gained as a community? We have saved in the Westrail accounts, but there is an additional charge in the accounts of the Commonwealth Government for expenditure on unemployment benefits, and there is a person who has no opportunity to continue to make a contribution to the life of our community.

We must be concerned about that because in a sense our society is dividing into two. Some people have good skills and are getting good incomes; others do not have many skills and find it virtually impossible to get the sort of full time permanent work to which they once aspired. Immense social costs will result if we cannot provide for those people. At the moment the Government says that it will not provide for them through employment in the public sector because it wants the public sector to be efficient. Therefore, it will be forced to provide for them through the social security system. However, it is not keen on spending too much money on the social security system either. This is a problem that will continue to confront Governments. Some sort of society-wide accounting is required.

Each level of government is looking at an aspect of the problem - how to make a particular service efficient - rather than the whole problem. For example, a local council abolishes all the unskilled jobs it used to have and mechanises the rubbish removal system and the street sweeping, and then finds that the area has a crime problem, because there are unemployed people with not enough to do, and it wants expenditure on that problem.

[Leave granted for the member's time to be extended.]

Mr RIPPER: There is a further problem. The Parliament will encourage a great deal of competition through the adoption of this legislation. People can compete in positive ways; for example, by applying better levels of organisation within their companies or by investing in superior technology. However, some ways of competing are socially negative. People might compete by seeking simply to reduce the wages and conditions of the workers they employ or by seeking to ignore their social responsibilities; for example, by paying less heed to the need to protect the environment or by seeking to evade their obligations to provide for the health and safety of their work force. A concomitant of this competition policy must be strong regulation in those areas I am talking about - health, safety and the environment. It gives an incentive to people who do not have a proper sense of social responsibility to compete in a way that is negative for others in the community. The way to counterbalance that is through the strength of the regulatory system.

I turn to the policy this Government has followed of contracting out. It is good to see this Government supporting the national competition policy initiative of the former Keating Government. However, some of its actions in contracting out have not been supportive of a proper level of competition. I think of the situation the former Water Authority, for example, was placed in. Homeswest called for tenders for the provision of sewerage in a subdivision in Hilton. The tender was won by the Water Authority. Various people in the Government thought that that could not be the case; that there must have been an underestimation of the true costs of the Water Authority. Therefore, an outside accounting firm was called in to examine it. The firm reported that the tender was accurate and fair. Nevertheless, the Government decided to reopen the tender process rather than award the tender to the Water Authority. In the end the Water Authority was instructed not to tender in the new round of tenders.

This sort of example has been repeated across the public sector. When contracting out occurs, an opportunity should be given for the relevant public sector unit to submit a competitive tender. The Government says to the public sector that it is not allowed even to compete. That is silly, because we could be getting better value for the taxpayers' dollar; we could be getting lower prices for some of the goods and services that we need in the public sector if we allowed our own public sector units - which are often proud of their performance - to compete. However, right across Government, that is not being allowed to happen.

The second area of concern I have with regard to contracting out is the long term nature of the contracts. Some of them are let for such long periods that it will be impossible for anyone else to tender for 10 or 12 years. That is the case with some of the hospital management contracts. Effectively, the winner of the contract will not face any significant competition for a decade or more. As a result of the extent of that contracting out we will lose public sector expertise. The ability of the public sector to bargain with the private sector and to secure a good deal will be eroded in the long term because we are getting rid of so many public sector workers, functions and areas of expertise. In the end, the capacity of the public sector to hold its own in negotiations with the private sector will be compromised.

Western Australia has a particular problem; that is, we have a small industrial sector and a small market. Often we do not have many firms that are capable of doing the work that the Government is contracting out. There is a real danger that we will develop private monopolies in this State. Often only a few firms - sometimes only one - can do the work. We face the effective choice of accepting a local monopoly or sending the work overseas. We see that in relation to much of the work that the Building Management Authority has contracted out in the area of facilities management. There have been three major contracts - one has gone to a Western Australian firm and two have gone outside the State. That is a very invidious choice: One one hand, a local private monopoly brings with it all the dangers that that implies. On the other hand, we can send the work to firms outside Western Australia with the consequent loss of income.

We have a very pernicious situation in this State; that is, the combination of the workplace agreement legislation and the drive for contracting out. That is effectively -

Mrs Parker interjected.

Mr RIPPER: It is driving down the wages and conditions enjoyed by people doing public sector work. The work is contracted out and the private sector companies or corporations say, "We are more efficient." When one investigates the reasons for that one finds that they are not paying the award rate that applies in the public sector; they have run up a series of workplace agreements and they are getting the same or additional work out of the workers for less money. That combination of contracting out and workplace agreements will, in the end, have serious impacts on working conditions of employees in this State in general. It is a device for eroding wages and conditions. As I said, I am concerned that we might end up with two classes of employees in our society: Those who have good skills and are getting good incomes, and those who cannot make a contribution because there is no work for them to do or, when they do make a contribution, because of their low skills, they are easy victims of this combination of workplace agreements and contracting out.

In terms of the Bill itself, it is good to see that the Competition Code contains provisions that allow joint ventures to operate satisfactorily. We have had problems in the past when this Parliament has had to pass legislation to provide exemptions from competition law to allow some of our major resources projects to trade satisfactorily. That is a welcome aspect of the Competition Code.

I am concerned that there is great potential for delays in the work of the Australian Competition and Consumer Commission. We saw that with the BHP DRI project in Port Hedland, where the only way that we could remove the risk that the gas supply contract would be declared uncompetitive was to pass special legislation. There were administrative alternatives through the Australian Competitors and Consumers Commission, but the delays that would have occurred in securing a decision from the ACCC would have been too risky for project proponents to accept. Had they waited for the ACCC to make the necessary decisions to avoid the risk of the gas supply contract being declared uncompetitive, the window of opportunity for the commercial viability of that project might have closed. Competition law is important, but there are times when it should be waived to allow important projects to go ahead in the public interest. Those decisions must be made in a timely manner, otherwise there will be yet another approvals delay risk to resources development in this State.

In her second reading speech, the Minister outlined certain obligations that the State Government has under the competition principles agreement. Those obligations are not part of the Bill before the House, and this Bill is one aspect of the agreement. Will the Minister outline what is happening with the anticompetitive provisions review, measures to ensure the competitive neutrality of public sector organisations, reform of public monopolies and, in particular, oversight of prices charged by public utilities?

MR CATANIA (Balcatta) [4.28 pm]: I concur with my colleagues in stating that there is support for the promotion of a national competition policy. However, having worked in the Trade Practices Commission many years ago, I sound a note of caution. My concern is referred to in the Premier's the second reading speech. It was stated that Governments should not seek competition for competition's sake. That is a very important statement.

There are some industries which cannot deregulate and which cannot survive in an open market. The stakeholders in those industries - the smaller businesses that revolve around the industry - cannot survive in the open market. They may be forced by the multinationals that exist in those industries to lower prices and offer services that compromise their survival. The other stakeholders are the consumers. When consumers are faced with an industry establishing a monopoly they will find that fewer services are offered, there is a smaller range of goods and certainly higher prices.

Business and the public generally accept the notion of a competition policy. However, the promotion of that policy should be a sensible, logical and consistent process. If there is any confusion in that process, the result will be uncertainty, and uncertainty can only endanger the viability of the stakeholders and the service that the consumers will receive.

We have seen confusion evident in the present policy that the Government has adopted for the real estate industry. For a few minutes I will relate to the House what is occurring in that industry. The real estate industry in Western

Australia in its regulated form, through which commissions and fees were regulated by industry more than legislation, has operated efficiently and to the benefit of both the industry and customers. Obviously the actions and presence of some people in any industry can be questionable. However, by and large, the real estate industry in Western Australia has been by reputation one of the best in Australia. When we are looking at competition and competition policy, why interfere with an industry which is running well? I flag a warning that we should not seek competition for competition's sake, which has happened in Western Australia.

I am happy that the Minister for Fair Trading is in the Chamber. She made the decision which will impact on that industry and which has caused it great concern. The Government has promoted the Hilmer report on competition policy and it has guided the industry into accepting the Hilmer recommendations. However, in convincing the industry that that is the way to go, the decision by the Government has lacked consistency and certainly logic. The Government has promoted the Hilmer deregulation concept and stated that deregulation of the real estate industry should be accepted because it would benefit both the industry as stakeholders and the customers who in the past have paid a fee to use the industry. When the Government was promoting competition in the real estate industry the Opposition urged it to adopt safety nets for consumers or tenants in the residential area so that they were not charged higher fees. The commercial tenancy legislation must be amended to ensure protection for commercial tenants around Western Australia. The Government accepted that proposal and said that it would amend the commercial tenancy legislation and that tenants should not be disadvantaged. However, when doing this the Minister decided to create a two-tier policy for the charging of fees by real estate agents. The first tier was that the fees of the commercial sector would be deregulated on 1 October 1996 and the second tier was that the residential market would be deregulated on 1 January 1997. That has caused an immense amount of confusion in the industry. In some cases it is difficult to define what is residential and what is commercial. Companies may have investments in huge residential blocks which they call commercial areas rather than putting them under a residential banner; therefore, a difficulty arises with a commercial as opposed to a residential situation. The rules to establish that two-tier system are difficult and will be expensive.

The Government is blaming the Opposition for insisting on safety nets in both areas. It has said that because of our insistence it has adopted the regulation - in a deregulated process. The Government is having a bob each way, to use the old terminology. The Government is saying that it wants to deregulate but that it will regulate so that the real estate industry cannot charge any fees to tenants of residential properties. The residential market is in a state of confusion. Real estate agents do not know where they will find the income which they would normally obtain from the residential market by charging a fee. Many of them have stated to me that their viability will be threatened. We also find that the commercial market, which the Minister has stated will be deregulated on 1 October of this year, is not being protected by the change the Minister has promised through introducing amendments to the commercial tenancy legislation. As I have stated, it is having a bob each way. The Government is saying, "Yes, we want to deregulate; however, we will regulate." It is no wonder that the real estate market has a lobby group which is lobbying members of Parliament on both sides of the House and expressing its concern about the Minister's actions.

The industry is concerned that the Minister and the Government do not understand that deregulation and open market competition is not a good idea for this industry. The real estate industry would not readily be comfortable in a deregulated market, however much it might try to accept the suggestions made by the Government or accept that it must go down the deregulation path. The real estate market has been down for a good 18 months now and certainly the confusion that the Government has foisted on the industry, as many of them have claimed, threatens its viability. I believe that concern has been expressed to the Premier in a meeting. I will indicate how incensed the group is by reading from a letter to its members, which is entitled the REIWA review. It states that the meeting was unanimous in its concerns and disillusioned and resentful of the Government's unwarranted intrusion into real estate affairs. On a recommendation by the Bunbury branch it was agreed that REIWA should establish a $1m fighting fund to protect the business interest of the real estate practitioners. The policy advisory group recommendation was subsequently adopted by a meeting on Tuesday, 6 August. In conjunction with a fighting fund it was agreed to implement immediately concerted political action aimed at reversing the Government's decision which is considered iniquitous and gravely detrimental to the real estate sector of small business. That is the reaction of an important industry to the processes that the Government has asked it to adopt so that it falls in line with the Government's competition policy.

I repeat: This Government is endeavouring to implement a competition policy for competition’s sake, rather than looking at the industry as a whole to see whether it can survive under an open market policy or in a deregulated market. The action group established by REIWA hopes to have a fighting fund of $1m to attack this Government politically. I would like the Minister to reply to that in this debate. Has the threat of this political campaign been successful? I hope that the Minister will confirm or deny that new section 61A of the Real Estate and Business Agents Act which should be proclaimed in January 1997 will not be proclaimed because of the threat of that political action by REIWA. I have been advised that is the case. Will the Minister advise the House whether its foray into the real estate industry hoping that the real estate industry will adopt the competition policy has resulted in that industry banding together and getting a $1m fighting fund to protect the industry against an inept attempt by this

Government to introduce competition policy into that industry? That industry is well served already by the existing regulation. That group has threatened certain marginal seats held by the Government. Is this true Minister?

The concerns of one agent about the Government's insistence on competition policy typify the concerns of the rest of the industry. A circular to the industry states -

> My understanding is that the current Minister and the Department of Fair Trading initiated the concept of removal of letting fees for Residential Tenancy whilst proclaiming the benefits of deregulation.
>
> It is also my understanding that the response to the industry's valid concerns of substantial loss of income to already lean small business' still suffering from the fall out of the 1989 recession was:
>
> 'That Agents should simply pass on their costs to their Landlords.'.

If the agents pass on those costs who does the Minister think the landlords will pass on their costs to? Could that be the tenants Minister? The letter continues -

> Not only is this purported statement, ill informed, it is also callous. It is simply applying ***the users pay principle*** without taking into account the economic or social costs in the medium to long term on agents, their staff, landlords or tenants.
>
> An Agents rent role is the backbone of the individual business, the lifeblood that allows the business to provide employment and continue to function during hard economic times.
>
> Small business' having already survived the 1989 recession and its continuing aftermath don't need an unsympathetic Government carving off a significant slice of their base annual income. The Minister has clearly not understood the wider implications of the removal of letting fees from the industry.
>
> Apart from the immediate effect of the loss of income, a rent roll is the sole saleable asset of a Real Estate Agent and any reduction in income to it dilutes the value of the asset.
>
> Furthermore those small agents who can not, as a result of the Government's action, cover basic overheads whilst sales remain low will close. This will lead to the possible extinction of small agencies, leaving the field open to the large franchise operations to monopolise the industry thereby reducing competition. Reduced competition has never resulted in ‘lower prices’ to the public.

That was my point at the beginning of my speech on this Bill. The effects of this Government's action on the real estate industry will result in great confusion and if it continues down the path with this two-tier policy and insists on deregulation in the real estate industry, which was well served as were the consumers by the existing legislation, there will be chaos. It should have left this industry alone. The Government should not have sold the competition policy to an industry that cannot afford to operate in an open market or to be deregulated in a regulated fashion - that is a contradiction in terms. That is why there is confusion. The letter continues -

> The current State Government by its present action may well have kick started the era of 'The supermarket' Real Estate industry, ie ***the one stop, no competition, no choice shop***. If it is the serious concern of this Liberal State Government that letting fees are an impost on low income tenants then why not incorporate the letting fee into the existing Homeswest Bond Assistance System.

It recognises that the letting fees are an impost on tenants and tenants who cannot afford to buy their own homes rent. Perhaps it is an impost on them. However, the group says that a ceiling can be placed on that impost so that tenants are not unduly affected or the burden of paying that letting fee is not unduly heavy. Although the group agrees it may be of benefit to the tenants, in the end the overall result will be that many of these small businesses will go out of business and the market will be open to a multi franchise situation similar to that which exists in the oil industry, which is moving into multisite franchising to ensure that the small service stations are cut out in an attempt to control the entire market. There will be a similar situation in the real estate industry with supermarket real estate agents offering fewer products at a higher cost. Examples of deregulation in the real estate market indicate that the fees increase and, ultimately, consumers have been affected by those fee increases.

Competition is worthwhile. It is a policy that the Opposition endorses. However, not all industries can survive under competition and free market policies. The Government must be very careful when introducing and promoting the competition policy in certain industries. The result will be that multinational companies which can set up multisite franchises will take over the industry. It has happened in the fuel industry and it will happen in this industry, which is characterised by stakeholders who are small business people. Industries where the majority of stakeholders are small business people cannot cope with an open market. They depend on regulation to survive. It is not necessary for it to be government regulation; it can be industry regulation. In the real estate industry the processes, rules and fees are regulated by that industry.

We should be very concerned when a Government foists its competition policy on an industry and puts its viability in jeopardy. Although this Government may consider it has protected consumers because the industry can no longer charge letting fees, the consumers may be worse off because rents may rise. The landlords, who bear the cost of the letting fees, will pass them on. As I have said more than once to the industry, I do not know why it made this change and agreed to the competitive policies.

Mrs Edwardes: It was something this Parliament passed with the help and support of the Opposition.

Mr CATANIA: The Minister is saying that the Government has the numbers and the Opposition does not. As a person who has been involved in the real estate industry for a number of years - as has the Minister for Planning who is seated next to the Minister - I indicate quite clearly that the previous system was the best one this State has had.

Mrs Edwardes: Should we reverse the decision?

Mr CATANIA: It would be very wise to do so. There was little government intrusion in that industry; it was self-regulating and it worked.

Mrs Edwardes: What should we do with the commercial fee deregulation? There is a difference.

Mr CATANIA: One is subject to the other. If the Government deregulates the commercial sector, it must provide safeguards for commercial tenants.

Mrs Edwardes: Would you prefer us to wait until the commercial tenancy Bill is through?

Mr CATANIA: It is a safety net and it would be fair to do that.

Mrs Edwardes: I took the commercial tenancies out of the 1 October deregulation.

Mr CATANIA: The Minister has been telling us for the past three and a half years that amendments will be introduced. I have introduced two private members' Bills on commercial tenancy amendments which the Government has rejected. The Minister for Fair Trading has been promising the retailers of this State that she will introduce amendments, but they no longer believe her. They are now concerned that she will not introduce amendments to commercial tenancy legislation because she is interested more in the big companies than in tenants in shopping centres and retailers who are dependent on this legislation.

Mrs Edwardes: Where does the Opposition stand on fee deregulation of the residential market?

Mr CATANIA: If the Government deregulates that market, it must provide safety nets for tenants. My ultimate position is that the Government should not have touched the real estate industry at all.

Mrs Edwardes: Are you saying that real estate agents should be allowed to charge letting fees?

Mr CATANIA: Ultimately the Government should ensure the viability of many agents is not endangered.

Mrs Edwardes: Should those agents be allowed to charge letting fees?

Mr CATANIA: No. The Government should have left the industry as it was.

Mrs Edwardes: Do you support a reversal of the decision?

Mr CATANIA: If the Government deregulates the industry, it must provide protection for tenants in residential and commercial properties. If the industry had been left as it was, that problem would not have arisen. The Government persisted in introducing competition for competition's sake. Are people from that industry now telling the Minister that she has confused them?

Mrs Edwardes: In terms of fee deregulation?

Mr CATANIA: It is a simple question for the Minister to answer.

Mrs Edwardes: The member for Balcatta is confused and he is confusing the issues.

Mr CATANIA: I am not confused. The Government should not have touched the industry. It should have been left as it was.

Mrs Edwardes: Is the member suggesting that today it should go back to the status quo?

Mr CATANIA: Absolutely. If the industry is deregulated, the Government must introduce safety nets in the commercial and residential areas. If it does not do that, it will confuse the industry. That is already the case. The competition policy the Government is promoting in the real estate industry has only confused that industry. I am sure all members in this place have received letters and telephone calls from concerned people. They do not know where they are heading. This Government has adopted an ad hoc approach. At the annual ball of the Real Estate Institute

of Western Australia the Minister introduced a two tier system to the industry. She perhaps did that over a glass of wine because she thought it was a good idea.

MR D.L. SMITH (Mitchell) [4.57 pm]: I have a number of reservations about the Hilmer report and its overall effect on both the economy and wellbeing of Australia in general, and the economy of regional areas in particular. The easiest way to implement many of the Hilmer recommendations is to attack the public enterprises. Basically, it has provided Governments with an opportunity and a reason to interfere further with the efficiency and effectiveness of many of those benign monopolies and use them as milch cows for revenue purposes.

It can be seen that the imposition by this Government of competitively neutral taxes on government enterprises has gleaned for it extra revenue from a host of areas. The immediate effect is that those benign government monopolies, which currently benefit country regions in two ways, become uncompetitive or are broken up and privatised. That means the cross-subsidies provided by many of those benign monopolies disappear. The only offer made to substitute for those cross-subsidies is some kind of support revenue from the government purse to those new private enterprises for community service obligations. The truth is that those levels of payment are never enough. They do not recognise sufficiency in individual regional areas. They tend to be a common supplement for all regional areas and country people end up paying more to private enterprise or to so-called competitive government enterprises than is the case. That becomes an extra cost burden that reduces the chances of real economic development and decentralisation in many regional areas. I do not think anyone who has examined these reforms understands that, nor do they understand the way in which it will impact on country areas.

The second way these reforms impact on country areas is that at least when these benign monopolies are in government hands some pressure can be applied to ensure that they employ people in regional areas. However, some of their operations are based in regional areas. When those services are privatised or forced into competitive neutrality with private competitors, decisions are immediately made to close down country operations and contract out much of their work to private service providers who tend to be metropolitan based. I think the Hilmer recommendations in the end will be another toll in the death knell for country and regional Australia.

Regional Australia is reeling under the impact of this very short lived Federal Government. In my own community it has been an absolute disaster in lost jobs and the services being closed down within a relatively small regional centre. Just out of Bunbury, Burekup, Rowlands and Harvey have been robbed of the Water Corporation employees and operations. In the main they have gone to Bunbury and Perth. Those effects create a lot of pain and uncertainty. In a society based on competition only, many of the promised benefits of competition do not eventuate and all we do is develop a system where regional and country Australians are most disadvantaged.

Rushing headlong into many of the Hilmer recommendations is having a dislocating effect on many private enterprises. That is especially so at the small business end. The real estate industry is an example of that. No-one doubts that many of the changes are necessary and will add to making Australia more productive and efficient. Many of them will not add to our international competitiveness because small business services only Australian industry and is not in the market for competing overseas. However, to the extent that they add any cost to overseas exports, in the longer term the changes should improve our international competitiveness.

We must be very careful, when we transfer to bureaucrats and others the responsibility for the implementation of these recommendations without considering the broader policy implications of the changes, that we do not suddenly find that many successful small businesses are adversely affected by these changes, especially small businesses in country areas. What tends to happen is not more competition and diversity, but a few big players who are mainly metropolitan based and who see their primary client base being in the metropolitan area and go only to country areas which are profitable. As a result they do not provide either employment or growth in those regional and rural economic areas.

On an Australia-wide basis, if the overall effects of large structural change on the economy are not considered, they can have a contracting effect on the economy rather than the expansion that Hilmer espouses. He is about making us more efficient, as a result making us more competitive and thereby creating a growing economy. No-one argues with the long-term objectives, but we must make the decisions and develop policies for short term objectives which recognise and forecast those areas which will be hardest hit by these changes. We must identify the nature of the businesses, individuals and communities that will be hurt by those changes and do something in advance to militate against the effect of that. We must understand that all this is about an objective; that is, competitiveness and reducing costs, which has a public benefit. In the end, if there are other costs, they are as much public costs as anything else. As with any analysis we must weigh up the benefit we are trying to achieve against those costs. That requires individual decision making on each reform so that a cost benefit analysis applies to each of those reforms.

I fear that when we simply develop a policy and deliver the new organisation that will oversee future competitiveness in Australia, its primary concern will be focused on the particular policy outcome that it has been told to try to achieve. It will not take into account other costs and suffering that will occur as a result of the changes. In that event no-one will accept the responsibility for forecasting and trying to mitigate against or avoid cost disadvantages and suffering to those affected by these changes.

I have said a number of times in this place that I always regard myself as an Australian first and a Western Australian second. I do not take much part in the argument that we should try to keep everything in Western Australia and maintain all controls in this Parliament rather than the national Parliament. I am prepared to trust Australia and, where it is necessary to make policy objectives, to hand over controls to the Commonwealth on the understanding that where it is appropriate it will delegate to us some of the things it cannot do that would be done better at a local level. Although that is my primary premise, we must have particular regard for the impact of changes we embark on in Western Australia as a result of some of these national agreements.

I remember when the medical legislation in relation to the medical qualifications of general practitioners and specialists was passing through this House. I raised the issue of the impact on country Western Australia of the availability of GPs and specialists in country regions. A large number of the fears I raised at that time about defining areas of need, for how long they remain and what we do for people who qualify for assistance with mobility after they have been in the country for a while, have come to fruition. It is now more difficult to get specialists and GPs to go to country areas for no other reason than the previous sources of those GPs and specialists in the United Kingdom, South Africa and New Zealand have dried up.

It is now much more difficult for those people to get permission to migrate to Australia to practice in country and regional areas. We on the west coast simply accepted the argument put by those on the east coast that there was a surplus of medical practitioners, which was driving up medical costs, and, therefore, we had to restrict entry into the medical profession. It was also argued that we should have uniform qualification requirements across Australia. Therefore, we accepted, for policy reasons on the east coast, the restrictive arrangements that were made with regard to the recognition of qualifications that were gained overseas.

We did that on the basis of achieving some kind of uniformity. We did not take proper account of its adverse effects on rural and regional Western Australia. Every time we make a change with regard to national uniform qualifications and standards, and legislation which is aimed at making the rules the same for all people, whether they are based in metropolitan Sydney or Kununurra, or elsewhere, we must ask ourselves whether that change will have a greater impact than is expected, firstly, upon Western Australia, and, secondly, upon rural and regional Western Australia. If it will, this State must be in a position to argue the case for Western Australia and for rural and regional Western Australia, where appropriate. We must be certain that the structures that are set up to implement these reforms and their supervision over time will be beneficial for this State.

It is not possible to alter this Bill very much because it is a national model; therefore, I will not say very much about its provisions, nor will I participate very much in the Committee stage. However, I did want to express my concerns. Rural and regional Western Australia, and Australia, generally are hurting very much under this Liberal-National Party coalition Government in Canberra. I hope that at a state level, whoever is in power will have more regard for the interests of rural and regional Australia than do those terrible new people in Canberra.

DR TURNBULL (Collie) [5.12 pm]: It is very unfortunate that the debate on the Competition Policy Reform (Western Australia) Bill has been curtailed to such a short time today. It is rather surprising, in light of the remarks made by the previous speaker, that the Opposition chose to allocate such a short time to this Bill, compared with some of the other matters with which it has dealt this week.

Whichever party is in government in Western Australia must take into account certain important factors when it implements competition policy. Firstly, the bureaucracy in all areas must become far more aware of those areas where the application of competition policy will be adverse to the public interest. This may occur in a wide range of areas: The supply of fuel and power to country areas; the operation of harbours and roads; the supply and availability of skilled personnel; and the supply and availability of goods. This is particularly important in regional and rural Western Australia. Although Western Australia is implementing and adopting a uniform policy for the whole of Australia, government departments must become adept at ensuring that the policies which they adopt do not have an adverse effect on rural and regional Western Australia. I have had many discussions with people connected with the implementation of competition policy, and there are ways of building into the supply of power and water, and the operation of harbours, some kind of community service obligation to reduce the cost for rural and regional towns.

I want to stress, as a member who represents a rural area, that although we will adopt this uniform legislation, we must become proficient in looking at all aspects of competition policy, particularly those matters which will affect the public interest. This will apply not only to those matters which I have discussed but also to matters such as the provision of fresh milk in Western Australia. That is another very contentious issue, because if we implement the full competition policy guidelines without taking into account the public interest, we could wipe out the whole of the fresh milk market in Western Australia. That will become very important to me as those areas are moved into my electorate.

MRS EDWARDES (Kingsley - Minister for Family and Children's Services) [5.18 pm]: I thank members for their comments. I put on record, for the benefit of those members who used the words "competition policy reform" interchangeably with the word "deregulation", that the two are not synonymous. That is important, because when

we review all the pieces of legislation, as we will be required to do over the next five years, we must be aware that a regulation can remain in place if it is in the public interest, if the public benefit outweighs the cost of the regulation, and if there is no other means of restricting competition to achieve the desired end.

I table a paper, which was published in June this year, about the time frame for the legislation review process.

[See paper No 458.]

Mrs EDWARDES: The member for Belmont raised the question of the sorts of matters that might be dealt with at a state level, rather than a national level, and suggested the Commercial Tribunal had some power. That appears to be a mistake and it might pay me to run through some of the issues he raised. The Bill does not allow for any action by state instrumentalities, which is what I thought the member was talking about, while it is in force in its present form. At some point, given the member's keen interest in this matter, we might like to run through some of those concerns.

Mr Catania interjected.

Mrs EDWARDES: When the Bill becomes law it enables the commonwealth bodies, especially the Australian Competitors and Consumers Commission, to administer and enforce the competition code. The State's role is to determine whether this piece of legislation should continue to be in force. State bodies will have other roles only where the legislation is repealed.

It is important to put that in place if we decide not to accept one of the amendments - for instance, that competition will still be in place in Western Australia; that will be important from our point of view and also from those of the private and public sectors - or where the legislation is amended so as to provide for that to occur. As has been pointed out, the aim of the legislation is to create a single national scheme.

Mr Ripper: What is the purpose of part 8 of the Bill? It is headed "State Administration of Competition Code".

Mr Catania: You are saying you have a Western Australian Act and the provisions of that Act will be determined by a federal body.

Mrs EDWARDES: Clause 8 sets out the persons and the bodies to which the Competition Code applies. It also provides for the Competition Code to have some application to Acts and other things.

Mr Ripper: We are looking at part 8, clause 46. It may be better that that is a state matter.

Mrs EDWARDES: I cannot readily find it. I think we can go through that with members opposite. The Deputy Leader of the Opposition had full and complete consultation at the briefing.

Mr Ripper: I was present at that briefing. I have since been through the Bill in more detail. I wonder what is the purpose of part 8.

Mrs EDWARDES: It is to do with where the consent of the Commonwealth is obtained. That was what was envisaged at the time.

The Deputy Leader of the Opposition requested an assurance that the revenue stream would continue to flow through and would not be impacted upon by the new Federal Government. The revenue to the State is defined in the governmental agreements, and the Commonwealth has not resiled from that. He also asked whether the State should set up its own pricing authority. He gave some indication that he supported the New South Wales model. As yet we have not determined the appropriate form of the price oversight of government trading enterprises. That will be considered, and made public at that time. We will take into account the comments made by the Deputy Leader of the Opposition.

He also asked about section 3A of the Trade Practices Act, which deals with effective access arrangements for essential infrastructure facilities. Currently they are being developed by the Government with its agencies, Western Power and AlintaGas, as was identified by some of the speakers, particularly the member for Cockburn. Some access arrangements are already in existence through the National Rail Corporation using Westrail tracks. The goldfields gas legislation contains access arrangements, as does the legislation covering the Dampier to Bunbury pipeline.

The Deputy Leader of the Opposition also asked whether the State Government will consult the State Parliament when it comes time to vote. He will be well aware, as will other members of this House, of my strong commitment to the maintenance of the sovereignty of the Western Australian Parliament. As a State Government, in terms of exercising that vote, we must ensure that, whatever view is applied, it is one that is properly representative of the State's interests. No firm position has been put on the process that will be followed for that, but it can be part of the consultative process. The same could apply to the intergovernmental committee.

A question was asked about suspending that part of the code if it is not agreed to by Western Australia. It is recognised that the Bill contains provisions that allow for the suspension of modifications made to the code by the Commonwealth. They were inserted with the assistance of the Government - I draw to the attention of members

clauses 5 and 6 - to allow the Federal Government to refrain from applying some things that might not be thought to be in the State's best interests.

Another aspect raised by the member for Belmont related to the competition principles agreements that require the State to do certain things, one being the publishing of a timetable for the review of legislation that may inhibit competition. I have just tabled a copy of that. That timetable has been published and it has been forwarded to the National Competition Council for its information. He also asked about considering the introduction of measures to ensure significant government business activities have no net competitive advantage stemming from public sector ownership. Those measures are to be introduced if their benefits exceed the cost to the community at large. As I said, competition policy reform is not synonymous with deregulation.

A timetable for the consideration of competitive neutrality for significant government business activities has been published by the Government and forwarded to the NCC. I will get a copy for members opposite because I do not have one here to table. The member asked about competition being introduced to previously monopolistic public sector areas. There is a requirement to consider the structure of that monopoly. This has occurred in the energy and water industries where the introduction of competition is accompanied by restructuring, for example.

The member for Cockburn raised the examples of Western Power, AlintaGas, the Office of Energy, the Water Corporation and the Water and Rivers Commission. He raised the matter of appropriate prices oversight of government trading enterprises. That will be considered by the Government.

It is important to recognise the significant steps we have taken in entering into the competition agreement on behalf of the State. It is also particularly important to recognise, as members opposite have said, the whole issue of community service obligations. All members should read and be aware of the report the Government prepared in response to the intergovernmental committee in which it raised that issue. It was tabled in this Parliament. In that area governments are very conscious of making sure that government trading enterprises do meet community service obligations. It is also something about which we need to remind government trading agencies, not just because of the agreements we have with them, but because sometimes those community service obligations are just plain good economic and business sense.

Mr Ripper: Good social sense.

Mrs EDWARDES: That is right. They should take that on board when they put themselves into that trading position.

They need to be conscious of equity and other such aspects. It is not just something for which Treasury should necessarily reimburse them. Some of those community service obligations may be good not only economically but socially, and something of which the private sector is conscious these days in ensuring that they are good corporate citizens.

The SPEAKER: Order! The time has come for the a conclusion of all remaining stages, and under the sessional order every questions necessary to complete business must be put without debate or amendment. The question is that the Bills be read a second time.

Question put and passed.

Bills read a second time.

COMPETITION POLICY REFORM (WESTERN AUSTRALIA) BILL

Committee

The DEPUTY CHAIRMAN (Mr Day): As the time has previously arrived in the House for the completion of all remaining stages of this business, I am required under the sessional order to put every question necessary to complete business without further debate and amendment. Before I put the question, I advise members that the note which commences on page 36 of the Bill does not form part of the Bill and need not be put formally.

Amendments agreed to under the foregoing resolution were as follows -

Clause 2 -

Page 2, lines 6 to 17 - To delete the lines and substitute the following -

2. This Act shall be deemed to have come into operation on 21 July 1996.

Clause 6 -

Page 7, lines 29 to 33 - To delete the lines and substitute the following -

(5) For the purposes of this section, the date of the modification is -

(a) the day on which the Commonwealth Act effecting the modification receives the Royal Assent or the regulation effecting the modification is notified in the Commonwealth of Australia Gazette;

or

(b) the day on which this Act receives the Royal Assent,

whichever is the later.

Clause 40 -

Page 27, lines 8 to 12 - To delete the lines and substitute the following -

"operative date" means 21 July 1996.

Clause 43 -

Page 28, lines 19 to 21 - To delete the lines.

Clause 44 -

Page 28, line 22 to page 29, line 3 - To oppose the clause.

Report

Bill reported, with amendments.

The SPEAKER: The question is that the report be adopted.

Question put and a division taken with the following result -

Ayes (23)

Mr C.J. Barnett	Mr House	Mr Shave
Mr Blaikie	Mr Johnson	Mr Strickland
Mr Board	Mr Kierath	Mr Tubby
Mr Bradshaw	Mr Minson	Dr Turnbull
Mr Court	Mr Nicholls	Mrs van de Klashorst
Mr Day	Mr Omodei	Mr Wiese
Mrs Edwardes	Mr Osborne	Mr Marshall *(Teller)*
Dr Hames	Mrs Parker	

Noes (19)

Ms Anwyl	Mrs Hallahan	Mr Ripper
Mr Catania	Mr Kobelke	Mrs Roberts
Mr Cunningham	Mr Leahy	Mr D.L. Smith
Dr Edwards	Mr Marlborough	Mr Thomas
Dr Gallop	Mr McGinty	Dr Watson
Mr Graham	Mr Riebeling	Ms Warnock *(Teller)*
Mr Grill		

Pairs

Mr Cowan	Mr Brown
Mr Lewis	Mr M. Barnett
Mr Prince	Mr Bridge
Mr McNee	Mrs Henderson

Question thus passed.

Report adopted.

Third Reading

Question put and passed.

Bill read a third time and transmitted to the Council.

COMPETITION POLICY REFORM (TAXING) BILL

Committee

The DEPUTY CHAIRMAN (Mr Day): As the time has previously arrived in the House for the completion of all remaining stages of this business, I am required under the sessional order to put every question necessary to complete business without further debate and amendment.

Amendment agreed to under the foregoing resolution was as follows -

Clause 2

Page 2, lines 2 to 4 - To delete the lines and substitute the following -

2. This Act shall be deemed to have come into operation on 21 July 1996.

Report

Bill reported, with an amendment.

The SPEAKER: The question is that the report be adopted.

Question put and a division taken with the following result -

Ayes (23)

Mr C.J. Barnett	Mr House	Mr Shave
Mr Blaikie	Mr Johnson	Mr Strickland
Mr Board	Mr Kierath	Mr Tubby
Mr Bradshaw	Mr Minson	Dr Turnbull
Mr Court	Mr Nicholls	Mrs van de Klashorst
Mr Day	Mr Omodei	Mr Wiese
Mrs Edwardes	Mr Osborne	Mr Marshall *(Teller)*
Dr Hames	Mrs Parker	

Noes (17)

Ms Anwyl	Mrs Hallahan	Mrs Roberts
Mr Catania	Mr Kobelke	Mr D.L. Smith
Dr Edwards	Mr Leahy	Mr Thomas
Dr Gallop	Mr McGinty	Dr Watson
Mr Graham	Mr Riebeling	Ms Warnock *(Teller)*
Mr Grill	Mr Ripper	

Pairs

Mr Cowan	Mr Brown
Mr McNee	Mrs Henderson
Mr Lewis	Mr Marlborough
Mr Prince	Mr Bridge
Mr Ainsworth	Mr M. Barnett
Mr Bloffwitch	Mr Cunningham

Question thus passed.

Report adopted.

Third Reading

Bill read a third time and transmitted to the Council.

VOCATIONAL EDUCATION AND TRAINING BILL

Committee

Resumed from 28 August. The Deputy Chairman of Committees (Mr Day) in the Chair; Mr Tubby (Parliamentary Secretary) in charge of the Bill.

The DEPUTY CHAIRMAN (Mr Day): As the time has previously arrived in the Chamber for the completion of all remaining stages of this business, I am required under the sessional order to put every question necessary to complete the business without further debate or amendment. The question now is that clauses 4 to 72, schedules 1 to 4 and the title of the Bill stand as printed and that I do now leave the Chair and report the Bill, without amendment.

Question put and a division taken with the following result -

Ayes (22)

Mr C.J. Barnett	Mr Johnson	Mr Shave
Mr Blaikie	Mr Kierath	Mr Strickland
Mr Board	Mr Minson	Mr Tubby
Mr Bradshaw	Mr Nicholls	Dr Turnbull
Mr Court	Mr Omodei	Mrs van de Klashorst
Mrs Edwardes	Mr Osborne	Mr Wiese
Dr Hames	Mrs Parker	Mr Marshall *(Teller)*
Mr House		

Noes (17)

Ms Anwyl	Mrs Hallahan	Mrs Roberts
Mr Catania	Mr Kobelke	Mr D.L. Smith
Dr Edwards	Mr Leahy	Mr Thomas
Dr Gallop	Mr McGinty	Dr Watson
Mr Graham	Mr Riebeling	Ms Warnock *(Teller)*
Mr Grill	Mr Ripper	

Pairs

Mr Cowan	Mr Brown
Mr McNee	Mrs Henderson
Mr Ainsworth	Mr M. Barnett
Mr Lewis	Mr Bridge
Mr Prince	Mr Marlborough
Mr Bloffwitch	Mr Cunningham

Question thus passed.

Report

Bill reported, without amendment.

The SPEAKER: The question is that the report be adopted.

Question put and a division taken with the following result -

Ayes (23)

Mr C.J. Barnett	Mr House	Mr Shave
Mr Blaikie	Mr Johnson	Mr Strickland
Mr Board	Mr Kierath	Mr Tubby
Mr Bradshaw	Mr Minson	Dr Turnbull
Mr Court	Mr Nicholls	Mrs van de Klashorst
Mr Day	Mr Omodei	Mr Wiese
Mrs Edwardes	Mr Osborne	Mr Marshall *(Teller)*
Dr Hames	Mrs Parker	

Noes (17)

Ms Anwyl	Mrs Hallahan	Mrs Roberts
Mr Catania	Mr Kobelke	Mr D.L. Smith
Dr Edwards	Mr Leahy	Mr Thomas
Dr Gallop	Mr McGinty	Dr Watson
Mr Graham	Mr Riebeling	Ms Warnock *(Teller)*
Mr Grill	Mr Ripper	

Pairs

Mr Cowan	Mr Brown
Mr McNee	Mr M. Barnett
Mr Ainsworth	Mrs Henderson
Mr Lewis	Mr Bridge
Mr Prince	Mr Marlborough
Mr Bloffwitch	Mr Cunningham

Question thus passed.

Report adopted.

Third Reading

The SPEAKER: The question is that the Bill be read a third time.

Question put and a division taken with the following result -

Ayes (23)

Mr C.J. Barnett	Mr House	Mr Shave
Mr Blaikie	Mr Johnson	Mr Strickland
Mr Board	Mr Kierath	Mr Tubby
Mr Bradshaw	Mr Minson	Dr Turnbull
Mr Court	Mr Nicholls	Mrs van de Klashorst
Mr Day	Mr Omodei	Mr Wiese
Mrs Edwardes	Mr Osborne	Mr Marshall *(Teller)*
Dr Hames	Mrs Parker	

Noes (17)

Ms Anwyl	Mrs Hallahan	Mrs Roberts
Mr Catania	Mr Kobelke	Mr D.L. Smith
Dr Edwards	Mr Leahy	Mr Thomas
Dr Gallop	Mr McGinty	Dr Watson
Mr Graham	Mr Riebeling	Ms Warnock *(Teller)*
Mr Grill	Mr Ripper	

Pairs

Mr Ainsworth	Mr Brown
Mr Lewis	Mr M. Barnett
Mr Cowan	Mr Bridge
Mr McNee	Mrs Henderson
Mr Prince	Mr Cunningham
Mr Bloffwitch	Mr Marlborough

Question thus passed.

Bill read a third time and transmitted to the Council

House adjourned at 5.53 pm

QUESTIONS ON NOTICE

NORTHBRIDGE TUNNEL - DEMOLITION, SAFETY BREACHES

1211. Ms WARNOCK to the Minister representing the Minister for Transport:

(1) Is the Minister aware that public safety was compromised during Northbridge Tunnel demolition on Wednesday, 6 June 1996 (near Fitzgerald Street)?

(2) Is the Government prepared to consider licensing demolition contractors to prevent such safety breaches?

(3) If not, what is the Government prepared to do to preserve safety on Perth construction sites?

(4) Will the contractor Moltoni Corporation be investigated for safety breaches after activities on the demolition site on 6 June 1996?

Mr LEWIS replied:

The Minister for Transport has provided the following response -

(1) I am not aware of public safety being compromised. However, I am aware that a member of a group of protesters alleged unsafe working practices by the contractor to Worksafe Western Australia.

(2)-(4) These questions should be directed to the Minister for Labour Relations.

LAND TAX - LOSS STATISTICS; FREMANTLE DISTRICT

1269. Mr McGINTY to the Premier representing the Minister for Finance:

(1) What is the total number of lots in the land district of Fremantle which are subject to land tax?

(2) Of the total number of lots in (1) above, how many -

(a) have been valued on the basis of site value in accordance with section 4 of the Valuation of Land Act 1978 to determine the unimproved value;

(b) have been valued on the basis of capitalising rents to determine the unimproved value?

(3) Excluding the land district of Fremantle, what is the total number of lots in Western Australia which are subject to land tax?

(4) Of the total number of lots in (3) above -

(a) how many have been valued on the basis of capitalising rents to determine the unimproved value;

(b) where are they situated?

Mr COURT replied:

The Minister for Finance has provided the following reply -

(1) Approximately 4 800 lots are subject to land tax in the Fremantle district.

(2) (a) All lots.
(b) None.

(3) Around 277 000 lots.

(4) (a) None.
(b) Not applicable.

TRANSPORT, DEPARTMENT OF - OPTUS TELECOMMUNICATIONS TOWER, MANNING ROAD SITE PROPOSAL

1301. Mr PENDAL to the Minister representing the Minister for Transport:

(1) Is the Minister aware that land owned by his department adjacent to the north-bound Kwinana Freeway off-ramp at Manning Road is the proposed site of an Optus telecommunication tower?

(2) Is he aware of widespread community and scientific concerns about potential health risks from these towers via radiation?

(3) What steps did his department take to evaluate these risks prior to giving approval for the Optus tower?

(4) Did his department consult with the Health Department and the Environmental Protection Authority?

(5) If yes to (4), what were the results of such consultations?

(6) Can the Minister give a categorical guarantee that no adverse health risks exist for local residents and school children?

Mr LEWIS replied:

The Minister for Transport has provided the following response -

(1) Yes. I understand there are three sites under consideration, Manning Road, Canning Highway and Cloister Avenue.

(2) Yes. I am aware of general concern by some members of the community on the question of radiation emission.

(3)-(6) No approval has been given. Optus has been requested to carry out an environmental impact assessment, including consultation with local government and residents in the three areas.

CONTRACTING OUT - GOVERNMENT SERVICES

1344. Mr BROWN to the Deputy Premier; Minister for Commerce and Trade; Regional Development; Small Business:

(1) Has any -

(a) department;

(b) agency,

under the Deputy Premier's control made any plans to contract out work to the private sector in the 1996-97 financial year?

(2) Is any of the work proposed to be contracted out currently performed by government employees?

(3) If so, exactly what work is proposed to be contracted out?

(4) How many government employees' jobs in each department or agency will be affected?

(5) Will any plans lead to a reduction in the number of employees in any department or agency?

Mr COWAN replied:

Department of Commerce and Trade

(1) and (2) Yes.

(3) The operation and maintenance of the department's industry knowledge base and the delivery of community stores program by employees of the former Aboriginal economic development officer.

(4) Potentially one staff member relating to the industry knowledge base. Six employees of the former AEDO will establish their own business and contract to deliver the community stores program.

(5) With reference to the industry knowledge base, yes. However, all former AEDO employees will retain their employment by transferring to the business entity.

Small Business Development Corporation

(1) Yes.

(2) Yes - partially.

(3) It is proposed that part of the information technology support, records management, "Smart Business" publication and program evaluation work is to be carried out by corporation employees with the balance provided by outside contractors.

(4) None.

(5) No.

Gascoyne Development Commission

(1) Yes.

(2) No.

(3) Not applicable.

(4) None.

(5) Not applicable.

South West Development Commission

(1) Yes.

(2) No.

(3) Not applicable.

(4) None.

(5) Not applicable.

Wheatbelt Development Commission

(1) Yes.

(2) No.

(3) Not applicable.

(4) None.

(5) No.

Other Agencies

All other agencies in my portfolio responsibility advise that they have not made any plans to contract out work to the private sector in the 1996-97 financial year.

CONTRACTING OUT - GOVERNMENT SERVICES

1402. Dr GALLOP to the Minister for Local Government; Multicultural and Ethnic Affairs:

(1) Since 1993, what services have been contracted out by individual agencies within the Minister's portfolio and what is the total cost of those contracts for each year?

(2) What are the names of the companies that have received contracts in the 1995-96 financial year?

(3) What is the value of each contract in excess of $50,000?

(4) In relation to (3) above, what is the demonstrated saving of each service contracted out?

(5) In relation to (3) above, does the contractor have access to, or use of, any government services or facilities in the performance of the contract?

(6) If so, what are they?

Mr OMODEI replied:

(1) - (6) Government agencies routinely contract external providers to undertake a range of services in support of the delivery of their programs. Given the large number of contractual arrangements in place at any time the details sought are not readily available. I am not prepared to direct considerable resources to obtain this information. However, if the Member has a specific query I will have the matter investigated.

CONTRACTING OUT - GOVERNMENT SERVICES

1391. Dr GALLOP to the Deputy Premier; Minister for Commerce and Trade; Regional Development; Small Business:

(1) Since 1993, what services have been contracted out by individual agencies within the Deputy Premier's portfolio and what is the total cost of those contracts for each year?

(2) What are the names of the companies that have received contracts in the 1995-96 financial year?

(3) What is the value of each contract in excess of $50,000?

(4) In relation to (3), what is the demonstrated saving of each service contracted out?

(5) In relation to (3), does the contractor have access to, or use of, any government services or facilities in the performance of the contract?

(6) If so, what are they?

Mr COWAN replied:

Department of Commerce and Trade

(1) The delivery of AusIndustry programs of assistance, specialist service deliverers, regional business manager, fleet management, audit services, offsite records storage facility, reception and switchboard, elements of recruitment and Selection and elements of classification review.

1993-94	$136 267
1994-95	$210 698
1995-96	$579 422

(2) Gail Force Manpower, Drake Personnel, C.P. Resourcing, (AusIndustry Programs and specialist service deliverers), Northam Business Enterprise Centre (Regional Business Manager), NBM Fleetcare (Fleet Management), Deloitte Touche Tohmatsu (audit services), Document Security (offsite records storage), Adia Centacom (reception and switchboard), Lyn McLeod, Gerard Daniels and Associates, Bielby Management Services, Sue Pedersen, APG Consultants (recruitment and selection), Sharn Tutt and Tracey Bell (classification review).

(3)

Gail Force Manpower	$311 433
Drake Personnel	$ 93 264
NBM Fleetcare	$ 50 116
Adia Centacom	$ 78 000

(4) AusIndustry Programs and specialist service deliverers - Improved administrative flexibility due to enhanced capacity to adjust the number of service deliverers to match movements in demand and funding.

Fleet management - Better management reporting for improved fleet planning. Flexibility in fleet management and more efficient use of fleet vehicles.

Reception and switchboard - Administrative flexibility in the provision of reception and switchboard services which has led to increased service delivery.

(5) Yes.

(6) Office accommodation and some access to equipment is used relating to AusIndustry Programs and specialist service deliverers, audit services and reception and switchboard services.

Small Business Development Corporation

(1) Since 1993, the following services have been contracted out by the Small Business Development Corporation for the total cost indicated -

1993-94 Program	Evaluation	$15 500
	Internal Audit	$ 6 200
1994-95 Program	Evaluation	$11 730
	Internal Audit	$ 6 200
1995-96 Program	Evaluation	$12 655
	Internal Audit	$ 6 200
	Computer Network Maintenance	$12 440
	Production of "Small Business" publication	$ 2 850

(2) In the 1995-96 financial year, the following companies received a contract with the SBDC -

Fujitech	- Patterson Market Research
Deloittes Touche Tohmatsu	- DRG.

(3) No contracts were in excess of $50,000.

(4)-(6) Not applicable.

Perth International Centre for Application of Solar Energy (CASE)

(1) CASE is a new statutory authority and no core business activities have been contracted out; however, assistance with preparation of financial reports and statements are sourced monthly from outside.

1994-95 Pannell Kerr Forster	$ 2 300
1995-96 Pannell Kerr Forster	$32 000
(note: $12 470 of the $32 000 was incurred during 94-95).	

(2) Synergy Corporation for provision of renewable systems for Sarawak, Malaysia.

(3) Synergy Corporation - $145 000.

(4) Not applicable. This is for the provision of equipment overseas.

(5) No.

(6) Not applicable.

Gascoyne Development Commission

(1)

1993-94 Cleaning	$4 900
1994-95 Cleaning	$3 000
1995-96 Cleaning	$2 800

(2) Gascoyne Cleaners & Supplies.

(3) - (6) Not applicable.

Great Southern Development Commission

(1)

Payroll Processing - 1996 only	$1 800 pa
Cleaning	$5 328 pa

(2) Fujitsu Australia Pty Ltd - payroll processing
Delron Pty Ltd - cleaning

(3) - (6) Not applicable.

Kimberley Development Commission

(1) Payroll Processing $2 600 pa

(2) Fujitsu Australia Pty Ltd

(3) - (6) Not applicable.

Mid West Development Commission

(1)

1995	Fleet Management	$1 900
	Communications	$1 000
1996	Fleet Management	$7 200
	Communications	$ 130

(2) NBM Fleetcare - vehicle management
ComsWest - communications.

(3)-(6) Not applicable.

Peel Development Commission

(1) Maintenance contracts for IT network and photocopier.

	Maintenance	Printing	Advertising
1993-94	$1 351	$ 7 419	$15,259
1994-95	$2 460	$ 4 984	$ 6,527
1995-96	$1 729	$11 194	$ 8,191

(2) Mandurah PC Centre
Westcountry Office Machines.

(3) - (6) Not applicable.

Pilbara Development Commission

(1) 1994-95 Cleaning $2 076

1995-96 Cleaning $3 314
Computing configuration $1 325

(2) P & O Catering and Cleaning Services
Oceanet - computing.

(3) - (6) Not applicable.

Wheatbelt Development Commission

(1) Services contracted out are -

. Office cleaning, Northam office -
1996 only $4 080 pa

. Technical computing services to the commission -
1994 $2 500
1995 $4 000
1996 $1 579 (for full year will be approx $5 000)

. Services for human resource management and assessment of position criteria -
1996 $ 400 pa

. Financial management system development hardware management and cheque production -
Initial cost $25 000
1996 only $11 787 pa

. Commission client survey -
1994 $nil
1995 $3 700
1996 $3 700

. Gardening contract, Northam office -
1996 only $ 960 pa

. Advertising of vacant positions and general advertising of conferences and meetings -
1994 $4 000
1995 $6 800
1996 $5 000

. Property lease consultants -
1994 $nil
1995 $ 729 (Govt Property Office)
1996 $ 800 pa (consultant to be appointed)

(2) DJ Shephardson - cleaning
Avon Garden Gnome - gardening
Neville Jefferies - advertising
ASC Technologies - computer
Market Equity - client survey

(3) - (6) Not applicable.

Other Agencies

All other agencies in my portfolio responsibility advise that they have not contracted out services since 1993.

CONTRACTING OUT - GOVERNMENT SERVICES

1402. Dr GALLOP to the Minister for Local Government; Multicultural and Ethnic Affairs:

(1) Since 1993, what services have been contracted out by individual agencies within the Minister's portfolios and what is the total cost of those contracts for each year?

(2) What are the names of the companies that have received contracts in the 1995-96 financial year?

(3) What is the value of each contract in excess of $50,000?

(4) In relation to (3) above, what is the demonstrated saving of each service contracted out?

(5) In relation to (3) above, does the contractor have access to, or use of, any government services or facilities in the performance of the contract?

(6) If so, what are they?

Mr OMODEI replied:

(1) - (6) Government agencies routinely contract external providers to undertake a range of services in support of the delivery of their programs. Given the large number of contractual arrangements in place at any time the details sought are not readily available. I am not prepared to direct considerable resources to obtain this information. However, if the Member has a specific query I will have the matter investigated.

ADVERTISING - BUDGET; EXPENDITURE

1425. Dr GALLOP to the Minister for Labour Relations; Lands; Housing:

(1) In 1996-97, what is the total advertising budget proposed for each individual agencies within Minister's portfolios?

(2) In the same year, what is the expected expenditure in campaign advertising and on non-campaign advertising?

(3) In relation to campaign advertising -

(a) what is the expected expenditure for 1996-97 and how does that figure compare with the previous three financial years;

(b) if there has been an increase in allocation, how is that explained;

(c) what portion of the 1996-97 allocation will be spent on television, radio, print and other medium;

(d) in 1996-97, what electronic and/or print medium campaigns are planned in excess of $50,000;

(e) have any of these campaigns been initiated by, or involved, any other agency or body;

(f) if yes, which agency or body?

(4) In relation to non-campaign advertising -

(a) what is the expected expenditure for 1996-97 and how does that figure compare with the previous three financial years;

(b) what is the reason for the difference in figures?

Mr KIERATH replied:

(1)-(4) Under the program budgeting format used throughout the public sector, expenditure is not budgeted for at the level of detail sought. I am not prepared to direct considerable resources to obtain the information requested. However, if the member has a specific query in relation to the above questions, I will endeavour to provide the information.

ADVERTISING - BUDGET, EXPENDITURE

1430. Dr GALLOP to the Minister for Local Government; Multicultural and Ethnic Affairs:

(1) In 1996-97, what is the total advertising budget proposed for each individual agencies within Minister's portfolios?

(2) In the same year, what is the expected expenditure in campaign advertising and on non-campaign advertising?

(3) In relation to campaign advertising:

(a) what is the expected expenditure for 1996-97 and how does that figure compare with the previous three financial years;

(b) if there has been an increase in allocation, how is that explained;

(c) what portion of the 1996-97 allocation will be spent on television, radio, print and other medium;

(d) In 1996-97, what electronic and/or print medium campaigns are planned in excess of $50,000;

(e) have any of these campaigns been initiated by, or involved, any other agency or body;

(f) if yes, which agency or body?

(4) In relation to non-campaign advertising:

(a) what is the expected expenditure for 1996-97 and how does that figure compare with the previous three financial years;

(b) what is the reason for the difference in figures?

Mr OMODEI replied:

(1)-(4) Under the program budgeting format used throughout the public sector, expenditure is not budgeted for at the level of detail sought. I am not prepared to direct considerable resources to obtain the information requested.

ADVERTISING - BUDGET, EXPENDITURE

1437. Dr GALLOP to the Minister representing the Minister for Transport:

(1) In 1996-97, what is the total advertising budget proposed for each individual agencies within the Minister's portfolios?

(2) In the same year, what is the expected expenditure in campaign advertising and on non-campaign advertising?

(3) In relation to campaign advertising -

(a) what is the expected for 1996-97 and how does that figure compare with the previous three financial years;
(b) if there has been an increase in allocation, how is that explained;
(c) what portion of the 1996-97 allocation will be spent on television, radio, print and other medium;
(d) in 1996-97, what electronic and/or print medium campaigns are planned in excess of $50,000;
(e) have any of these campaigns been initiated by, or involved, any other agency or body;

(4) In relation to non-campaign advertising -

(a) what is the expected expenditure for 1996-97 and how does that fiture compare with the previous three financial years;
(b) what is the reason for the difference in figures?

Mr LEWIS replied:

The Minister for Transport has provided the following response:

(1)-(4) Under the program budgeting format used throughout the public sector, expenditure is not budgeted for at the level of detail sought. I am not prepared to direct considerable resources to obtain the information requested.

ADVERTISING - BUDGET, EXPENDITURE

1446. Dr GALLOP to the Minister for Labour Relations; Lands; Housing:

(1) In 1996-97, what is the proposed allocation for brochures, pamphlets and other similar publications for each individual agencies within the Minister's portfolios?

(2) What were the allocations for the previous three financial years?

(3) In 1996-97, what is the proposed allocation for production of videos and similar publicity ventures?

(4) What were the allocations for the previous three financial years?

(5) In 1996-97, has any money been allocated for opinion polling?

(6) If yes, what opinion polling is proposed and what will it cost?

(7) What were the allocations for polling in the previous three financial years?

Mr KIERATH replied:

(1)-(7) Under the program budgeting format used throughout the public sector, expenditure is not budgeted for at the level of detail sought. I am not prepared to direct considerable resources to obtain the information requested. However, if the Member has a specific query in relation to the above questions, I will endeavour to provide the information.

ADVERTISING - BUDGET, EXPENDITURE

1451. Dr GALLOP to the Minister for Local Government; Multicultural and Ethnic Affairs:

(1) In 1996-97, what is the proposed allocation for brochures, pamphlets and other similar publications for each individual agencies within the Minister's portfolios?

(2) What were the allocations for the previous three financial years?

(3) In 1996-97, what is the proposed allocation for production of videos and similar publicity ventures?

(4) What were the allocations for the previous three financial years?

(5) In 1996-97, has any money been allocated for opinion polling?

(6) If yes, what opinion polling is proposed and what will it costs?

(7) What were the allocations for polling in the previous three financial years?

Mr OMODEI replied:

(1) - (7) Under the program budgeting format used throughout the public sector, expenditure is not budgeted for at the level of detail sought. I am not prepared to direct considerable resources to obtain the information requested.

ADVERTISING - BUDGET, EXPENDITURE

1458. Dr GALLOP to the Minister representing the Minister for Transport:

(1) In 1996-97, what is the proposed allocation for brochures, pamphlets and other similar publications for each individual agencies within portfolio?

(2) What were the allocations for the previous three financial years?

(3) In 1996-97, what is the proposed allocation for production of videos and similar publicity ventures?

(4) What were the allocations for the previous three financial years?

(5) In 1996-97, has any money been allocated for opinion polling?

(6) If yes, what opinion polling is proposed and what will it cost?

(7) What were the allocations for polling in the previous three financial years?

Mr LEWIS replied:

The Minister for Transport has provided the following response:

(1)-(7) Under the program budgeting format used throughout the public sector, expenditure is not budgeted for at the level of detail sought. I am not prepared to direct considerable resources to obtain the information requested.

TRAFFIC ACCIDENTS - CAMBRIDGE AND BIRKDALE STREETS, FLOREAT

1600. Dr CONSTABLE to the Minister representing the Minister for Transport:

How many traffic accidents have occurred at or near the intersection of Cambridge and Birkdale Streets, Floreat, in each of the last five years?

Mr LEWIS replied:

The Minister for Transport has provided the following response:

The number of reported traffic crashes are:

1991 4
1992 1
1993 1
1994 2
1995 3
1996 (to August 18 1996) 4

TRAFFIC ACCIDENTS - AND OFFENCES, FLOREAT AREAS

1604. Dr CONSTABLE to the Minister representing the Minister for Transport:

(1) Have any studies been conducted on the projected increased traffic volume and other traffic effects from the -

(a) Northbridge Tunnel; and

(b) Subicentro development,

in the following areas -

(i) Floreat;
(ii) City Beach;
(iii) Wembley Downs;
(iv) Churchlands;
(v) Woodlands;
(vi) Wembley;
(vii) Scarborough; and
(viii) Doubleview?

(2) If yes, what are the results of the studies?

(3) Of no -

(a) why not; and

(b) will any studies be conducted, and if so, when and by whom?

Mr LEWIS replied:

The Hon Minister for Transport has provided the following response:

(1) Yes.

(2) The studies indicate that there will be no significant impact from either project on those suburbs.

(3) Not applicable.

LAND - NEAR CHRIST CHURCH GRAMMAR SCHOOL (LOT 716, SWAN LOCATION 1911)

1609. Dr CONSTABLE to the Minister for Lands

(1) What is the correct legal description and size of the land near Christ Church Grammar School playing fields and adjacent to Cottesloe Golf Course which the Government proposes to sell to fund the management of Bold Park?

(2) Who is the registered proprietor of the land?

(3) Who was the registered proprietor of the land before the current registered proprietor?

(4) What is the current zoning of the land?

(5) Have any valuations of the land been carried out?

(6) If yes to (5) above, on each occasion -

(a) who valued the land and was he or she a licensed valuer;

(b) when was the land valued;

(c) on what basis was the land valued (ie residential or other);

(d) what was the land valued at; and

(e) what was the cost of the valuation?

(7) If no to (5) above, why not?

(8) Does the Government have any development plans for the land, and if so -

(a) what are they;

(b) does the Government have the agreement of the registered proprietor for the development plans; and

(c) who will bear the cost of the development?

Mr KIERATH replied:

(1) Portion of Swan location 1911 and being lot 716 on Diagram 90078 and being part of the land comprised in Certificate of Title Volume 2000 Folio 589. The Size of this area is 1.7475 hectares.

(2) The Town of Cambridge.

(3) The City of Perth.

(4) Residential R20.

(5) Yes.

(6) (a) Kevin Sullivan and Associates (Mr R D Richmond - Licensed Valuer No 378);

(b) 17 October 1995 (2 separate valuation reports);

(c) Residential;

(d) $4,100,000 or $3,725,000 if the purchaser is required to pay cash in lieu of the public open space requirement;

(e) The combined cost of the valuation for this land and the land referred to in Question 1610 was $5,170.

(7) Not applicable.

(8) (a-c) This question should be referred to the Hon Minister for the Environment who has responsibility for any development proposals.

LAND - SOUTH EAST OF ROCHDALE ROAD (LOT 87 SWAN LOCATION 1911)

CONSTABLE to the Minister for Lands

(1) What is the correct legal description and size of the land South-East of Rochedale Road adjacent to St Johns Wood which the Government proposes to sell to fund the management of Bold Park?

(2) Who is the registered proprietor of the land?

(3) Who was the registered proprietor of the land before the current registered proprietor?

(4) What is the current zoning of the land?

(5) Have any valuations of the land been carried out?

(6) If yes to (5) above, on each occasion -

(a) who valued the land and was he or she a licensed valuer;

(b) when was the land valued;

(c) on what basis was the land valued (ie residential or other);

(d) what was the land valued at; and

(e) what was the cost of the valuation?

(7) If no to (5) above, why not?

(8) Does the Government have any development plans for the land, and if so -

(a) what are they;

(b) does the Government have the agreement of the registered proprietor for the development plans; and

(c) who will bear the cost of the development?

Mr KIERATH replied:

(1) Portion of Swan location 1911 being lot 87 on Plan 7542 (Sheet 2) and being the whole of the land comprised in Certificate of Title Volume 1809 Folio 190. The area of this land is 2.8567 hectares; and

Portion of Swan location 1911 being the whole of the land comprised in Certificate of Title Volume 1878 Folio 036 as shown on Plan 7893 (Sheet 1). The size of this area is 7.3602 hectares.

(2) The Town of Cambridge.

(3) The City of Perth.

(4) Residential R15.

(5) Yes.

(6) (a) Kevin Sullivan and Associates (Mr R D Richmond - Licensed Valuer No 378);

(b) 17 October 1995 (2 separate valuation reports);

(c) Residential;

(d) $5,300,000;

(e) The combined cost of the valuation for this land and the land referred to in Question 1609 was $5,170.

(7) Not applicable.

(8) (a-c) This question should be referred to the Hon Minister for the Environment who has responsibility for any development proposals.

METROBUS - PRIVATE SECTOR BUS OPERATORS, SAVINGS COMPARISON

1631. Mr RIPPER to the Minister representing the Minister for Transport:

(1) How can private sector bus contractors deliver savings of "up to some 30%" when compared to MetroBus as claimed by the Minister when he also claims that -

(i) "all tenderers including MetroBus provided for similar staffing and at similar wage structures";

(ii) "the Government will still control the buses"; and

(iii) there will be no change to "fares, concessions, timetables, route service, frequency and the quality of buses"?

(2) What specific features of the MetroBus cost structure made it unable to match private sector prices for the Canning, Southern River, Rockingham, Marmion and Wanneroo bus service areas?

(3) What will be the total cost of tendering, negotiating and contract preparation processes for these five bus service areas?

(4) What has been the cost to date of -

(a) administering the contracts previously awarded to private sector bus operators; and

(b) monitoring the performance of the contracts?

Mr LEWIS replied:

The Hon Minister for Transport has provided the following response:

(1)-(2) The savings identified compare the tendered prices with the MetroBus cost structure that existed at 1 July 1995. The savings are delivered through improved work practices (such as multi skilling, improved rostering, and a higher proportion of part time employees), more flexible deployment of buses and people, together with greater administration efficiencies.

(3)-(4) The costs of tendering, negotiating and contract preparation are included in the funding of the operations of the Metropolitan Transport Division of the Department of Transport. The functions of that Division include policy, strategic planning, service standards and development, contract management, performance monitoring and evaluation.

ROAD RESERVES - ROE FREEWAY BETWEEN HURLEY AND COOK STREETS, CANNING VALE, LEASE

1632. Mr THOMAS to the Minister representing the Minister for Transport:

(1) Is any portion of the proposed Roe Freeway Reserve between Hurley and Cook Streets in Canning Vale leased out?

(2) If so, who is the lessee or lessees?

(3) What rents are being paid for these leases, what is the term of the lease and what purpose is it let for?

Mr LEWIS replied:

The Minister for Transport has provided the following response:

(1) Yes.

(2) BGC (Australia) Pty Ltd.

(3) Rent is $2 975 per annum for three years for the purpose of staff car parking.

HOMESWEST - SPECIAL HOUSING ASSISTANCE PROGRAM (SHAP)

1646. Dr WATSON to the Minister for Housing:

(1) How many tenants were provided with assistance through Special Housing Assistance Programme (SHAP) in -

(a) 1994;
(b) 1995;
(c) 1996 to date?

(2) What are the criteria for -

(a) commencing SHAP support;
(b) concluding SHAP support?

(3) What proportion of tenants on SHAP support are Aboriginal?

Mr KIERATH replied:

(1) (a) 105 approximately;
(b) 144 approximately;
(c) 118 approximately.

(2) (a) When a tenant demonstrates a tenancy related problem which has not been resolved through Homeswest's best endeavours and which, if not resolved, would ultimately lead to eviction.

(b) When the family has overcome the difficulties which had formerly placed their tenancy in jeopardy. Support is withdrawn by mutual consent.

(3) Homeswest does not keep statistics based on ethnicity.

NORTHBRIDGE TUNNEL - DE-WATERING, EFFECT ON WATER TABLE CONCERNS

1668. Ms WARNOCK to the Minister representing the Minister for Transport:

(1) Does the Minister acknowledge that Main Roads Western Australia have publicly indicated in its Media Kit, issued at the contract signing ceremony with Baulderstone Clough, that de-watering in relation to the construction of the Northbridge Tunnel will have an effect on the water table up to 800 metres from the tunnel wall?

(2) Can the Minister confirm the information I have received from the Main Roads Community Relations Manager that Baulderstone Clough have a contractual obligation to carry out home inspections within the area at risk from de-watering and construction and to monitor flora?

(3) Is the Minister aware that there are many residents within the Northbridge area who are most concerned at possible damage to their gardens and homes from the changes to the water table in relation to the construction of the Northbridge tunnel?

(4) Does the Minister acknowledge that lack of a formal environmental impact assessment process for the City Northern Bypass has significantly contributed to resident apprehension and concern about the likely consequences of changes to the water table?

(5) What impartial scientific reports are available to the residents of Northbridge which would allay their fears of property damage and loss of flora from de-watering?

(6) Will the Minister assure the residents of Northbridge, West Perth, Perth, Highgate and East Perth that home inspections will be carried out within the area affected by de-watering?

(7) Will the Minister assure the residents of Northbridge that measures to be implemented by Baulderstone Clough for monitoring and maintaining water requirements of flora in Weld Square will result in no loss of vegetation resulting from changes to the water table or tunnel construction?

(8) Will the Minister assure the residents of Northbridge that measures to be implemented by Baulderstone Clough for monitoring and maintaining water requirements of flora in Russell Square will result in no loss of vegetation resulting from changes to the water table?

(9) Will the Minister assure residents of Money and Monger Streets that measures to be implemented by Baulderstone Clough for monitoring and maintaining water requirements of public trees in Money Street and Monger Street will result in no loss of vegetation from changes to the water table?

(10) Will the Minster assure the residents of Northbridge, Mount Lawley, Highgate and Perth that measures to be implemented by Baulderstone Clough for monitoring and maintaining water requirements of flora in Hyde Park will result in no loss of vegetation or lowering of the water level in the Hyde Park lakes?

(11) Will the Minister assure the residents of Perth, East Perth and Highgate that measures to be implemented by Baulderstone Clough for monitoring and maintaining water requirements for flora surrounding Perth Oval will result in no loss of vegetation from changes to the water table?

(12) Will the Minister assure the residents of Perth that measures to be implemented by Baulderstone Clough for monitoring and maintaining water requirements for flora in Robertson Street Park and Darrien Street Gardens will result in no loss of vegetation from changes to the water table?

(13) Will the Minister assure the residents of Northbridge that all public flora within the area to be affected by de-watering will be monitored for responses to changes in the water table resulting from the tunnel construction?

(14) Will the Minister assure the residents of Northbridge that all private gardens within the area to be affected by de-watering will be monitored and compensation made to those whose gardens are significantly affected by the changes to the water table?

(15) Will the Minister assure the residents of West Perth, Northbridge, Perth, Highgate and East Perth that all public buildings within the area to be affected by de-watering will be inspected under the contractual agreement with Baulderstone Clough?

(16) Will the Minister assure the ratepayers of West Perth, Perth, Northbridge, Highgate and East Perth that any damage to public buildings arising from de-watering and tunnel construction will be compensated by the tunnel contractors.

(17) If not, why not?

(18) Who is responsible for the cost of building inspections within the area of risk from de-watering and construction?

Mr LEWIS replied:

The Minister for Transport has provided the following response:

(1) No. The information kits issued for the City Northern Bypass indicate that temporary de-watering during the construction process will produce a drawdown of summertime levels of the water table up to 100 metres from the tunnel walls. This will be for a period of six to eight weeks. The drawdown on the water table beyond 100 metres will depend on the time of year and will be greatest in the winter months when vegetation is least susceptible.

(2) Yes. The contractor's first priority in carrying out the works is the protection of adjacent properties. Property inspections and monitoring of vegetation are carried out as part of this process. The area impacted has been assessed at 100 metres from the tunnel walls for the reasons

stated above, but the contractor is registering resident requests from outside this area for later assessment on a case by case basis.

(3) The contractor has notified property owners and occupiers in the affected area of de-watering. All expressions of concern are being handled on an individual basis.

(4) No. The Environmental Protection Authority has determined that the level of assessment should be informal review with public advice. The appointed contractor must produce an Environmental Management Plan to the satisfaction of the Department of Environmental Protection and other relevant authorities. This plan includes consideration of permanent effects on the water table. The design work by the contractor demonstrates that the permanent impact on the water table will be about one tenth of the normal seasonal variation.

(5) No independent consultant studies have been commissioned. The contractor is in communication with residents who have concerns and is making public information as it becomes available from further investigations and design work.

(6) Residents within the 100 metre limit have been notified that building inspections are available. Other properties may be inspected as appropriate after further testing.

(7)-(13) The contractor is committed to monitoring of public vegetation in the area deemed to be impacted by tunnel construction.

(14) Private gardens within the zone of drawdown below summertime levels are assessed as part of the property condition inspections.

(15) The contractor is responsible for protection of all buildings within the de-watering zone.

(16) The contract includes provision for repairs to buildings, including public buildings, which are required as a result of the contractor's activities.

(17) Not applicable.

(18) The contractor, Baulderstone Clough Joint Venture.

HOSPITALS - BUNBURY REGIONAL

Paediatric Specialist Service

1709. Dr GALLOP to the Minister for Health:

(1) Is it the case that Bunbury Regional Hospital no longer offers a paediatric specialist service?

(2) If yes, why is the service no longer offered?

(3) What arrangements have been made for patients requiring the service?

Mr PRINCE replied:

(1) No.

(2)-(3) Not applicable.

HEALTH DEPARTMENT - REDUNDANCIES, ADMINISTRATION/POLICY STAFF

1710. Dr GALLOP to the Minister for Health:

(1) How many staff working in administration/policy positions in the Health Department have been made redundant in the last two years?

(2) What has been the total cost of redundancy payments for these staff?

(3) Is the Minister aware of any staff being re-engaged by the Health Department as consultants after they have taken redundancy?

(4) If yes, how many?

Mr PRINCE replied:

(1) 48 Employees from East Perth Government Offices.

(2) $1,299,146.88

(3) I am advised by the Health Department of WA that no staff have been re-employed after they have taken redundancy. There may be some former staff who work for Private Sector Consultancy Companies who have, through their employer, undertaken work in the Health Department. As the Health Department contracts are with the Company, it is not able to be ascertained who was employed by each contractor and if they were former Health Department staff who had received redundancy payments.

(4) Not applicable.

HEALTH DEPARTMENT - AGED CARE, TRANSFER FROM COMMONWEALTH

1711. Dr GALLOP to the Minister for Health:

(1) How many of the "Key Actions" outlined in *The Mental Health Plan for Western Australia* have been realised?

(2) Who is responsible for arranging the implementation of the Mental Health Plan?

Mr PRINCE replied:

(1) Funding to implement the State Mental Health Plan became available in July and several of the key actions are in the process of being implemented.

(2) Responsibility for implementing the Plan lies with the Acting General Manager, Mental Health Division, and the Chief Psychiatrist, in consultation with a committee with representatives from the public, private and non-government sectors and with consumer representatives.

HEALTH DEPARTMENT - ELECTIVE SURGERY WAITING LISTS STATISTICS

1713. Dr GALLOP to the Minister for Health:

(1) What statistics does the Health Department collect on elective surgery waiting lists and waiting times?

(2) How often are these statistics collected?

(3) Are these statistics published?

(4) If not, why not?

Mr PRINCE replied:

(1) The WA Health Department collects data on elective surgery waiting lists and waiting times from the five metropolitan teaching hospitals - Royal Perth Hospital, Fremantle Hospital, Princess Margaret Hospital for Children, King Edward Memorial Hospital for Women, and Sir Charles Gairdner Hospital. Data is collected for cases on the waiting list, cases admitted from the list for surgery, and cases deleted from the list. Waiting list information is held at patient record number level and includes patient specialty and procedure, payment class, urgency category, assigned doctor identifier, and date patient added to waiting list.

(2) Waiting list data is collected monthly.

(3) Yes. A monthly bulletin of elective surgery waiting list.

(4) Not applicable.

HOMESWEST - WICKHAM PLACE, EAST PERTH, DEVELOPMENT

1717. Mr RIEBELING to the Minister for Housing:

(1) In relation to the development in Wickham Place, East Perth, when was the property purchased?

(2) How much was the property purchased for?

(3) Was Commonwealth money used to purchase the property?

(4) What was the price of construction of the two blocks of units?

(5) Was Commonwealth money a tied grant for the benefit of Perth Inner City Housing Association?

(6) How has the Association benefited from the Commonwealth money supplied to the State?

(7) Did the construction hinder the redevelopment of Mr & Mrs Napolitano's property at 19 Wickham Street, East Perth?

(8) Did Homeswest, through Anne McCrudden, seek to deny access through right of way off Wickham place?

(9) How long did this dispute take to resolve and what settlement has been proposed?

(10) How much money has been spent on pursuing this and a fence line dispute with Kott Gunning?

Mr KIERATH replied:

(1) Settlement was completed on 27 April 1993.

(2) $280,000.

(3) No. It was purchased under the Community Housing Program.

(4) $797,310.

(5) No. The funds expended under the Community Housing Program are for the provision of low cost long term rental housing.

(6) The Perth Inner City Housing Association is a non-profit organisation and rents collected from these units are utilised to meet the operational costs of the units.

(7)-(8) No.

(9) Homeswest offered numerous resolutions to the dispute over a ten month period. Homeswest has withdrawn all legal action and has paid the Napolitano's costs of $3,000 as determined by the Court of Petty Sessions. A previous proposal of settlement provided prior to the court decision by Homeswest to Mrs Napolitano was rejected.

(10) $8 739.77.

WICKHAM PLACE, EAST PERTH - LAND (FORMER LANE WAY RESERVE) RESUMPTION

1718. Mr RIEBELING to the Minister for Local Government:

(1) In relation to the Perth City Council decision to resume land off Wickham Place, East Perth, the former lane way reserve, did the gazettal which appeared in the *Government Gazette* dated 19 November 1993, page 6264, result in removing the ability to develop 19 Wickham Street, East Perth?

(2) Who requested the action to resume the land?

(3) Were there any special allowances made by the PCC to allow Homeswest to redevelop the properties?

(4) Was the PCC aware of the redevelopment of 19 Wickham Street when the decision was made to resume the lane way (right of way)?

(5) Was the PCC aware that the decision on the Homeswest property and laneway rendered the 19 Wickham Street redevelopment locally impossible to complete?

Mr OMODEI replied:

(1) - (5) These questions should be directed to the Perth City Council for response.

HOMESWEST - KEYSTART, ALLOCATIONS TO BUILDING SOCIETIES ADVICE

1726. Mr BROWN to the Minister for Housing:

(1) Does the Minister receive advice on the allocation of Keystart funds to building societies?

(2) Who advises the Minister?

(3) Is there a committee or body which provides advice to the Minister?

(4) In the past two years, on how many occasions has the Minister departed from the advice provided?

(5) In what circumstances has the Minister made his own decisions about allocations contrary to the advice provided?

(6) Who or what group advises the Minister?

(7) What are the names of the people involved?

(8) What positions do they occupy?

Mr KIERATH replied:

(1)-(8) Keystart operates under a corporate structure with an independent board accountable to me through Homeswest. There is no allocation of Keystart funds to building societies. Homeswest provides standby financial backing for the scheme which enables the scheme to borrow funds at very competitive rates.

HOMESWEST - LAND OR PROPERTIES, SALES TO OVERSEAS COMPANIES

1727. Mr BROWN to the Minister for Housing:

(1) Is the Minister aware of any attempts by overseas companies to buy up Homeswest housing lots earmarked for low income earners?

(2) Has the Minister been made aware of any attempts by overseas companies to purchase Homeswest properties or land?

(3) Has any advice been provided to Homeswest or any senior officer in Homeswest that overseas companies are attempting to purchase Homeswest land or properties?

(4) Has Homeswest or any senior officer in Homeswest been made aware of any attempts by overseas companies to purchase and/or on-sell Homeswest properties or land to overseas purchasers?

Mr KIERATH replied:

(1)-(4) Foreign companies and persons are permitted to purchase any vacant land, including that offered for public sale by Homeswest, under the terms of the Foreign Investment Review Board policy. Homeswest requires foreign purchasers to comply with the guidelines set by the FIRB, that is, they must construct a dwelling on the lot within 12 months of purchase. It is Homeswest policy that no on-sale of vacant land is permitted until a dwelling has been constructed.

WESTRAIL - TRAVEL CONCESSIONS

1733. Mr BROWN to the Minister representing the Minister for Transport:

(1) Does Westrail provide a travel concession for people who hold a Health Benefits (Pharmaceutical) card from the Department of Social Security?

(2) At any time since 1990, has Westrail provided a travel concession for people who hold a Health Benefits (Pharmaceutical) card from the Department of Social Security?

(3) At any time since 1990, has Westrail provided a travel concession to -

(a) low income earners;
(b) the spouse of a low income earner;

who holds a Health Benefits (Pharmaceutical) card from the Department of Social Security?

(4) Have any travel concessions made available by Westrail as in February 1993 been changed in any way?

(5) Exactly what is the nature of each change?

(6) On what date did each change come about?

(7) What concessions were available in February 1993 which are not available today?

Mr LEWIS replied:

The Minister for Transport has provided the following response -

(1) Concessional travel is granted to unemployed persons on Jobsearch, Newstart or youth training allowance who hold a health benefits card or health care card.

(2) Yes. As stated in my answer to (1).

(3) (a-b) No.

(4) Yes.

(5)-(7) 4 April 1993: The annual free journey and concessional fares granted to Western Australian pensioners for travel on the *Indian Pacific* between Perth and Kalgoorlie were withdrawn when Australian National Rail assumed ownership of that train.

9 July 1993: The entitlement for an annual free return journey granted to Western Australian pensioners, for travel on Westrail's country passenger services, was amended to allow a choice of either one free return journey each year or two single journeys each year to the same location.

4 April 1996: The annual free travel entitlement for pensioners on Westrail's country passenger service is no longer available during school vacation periods. However, any seats remaining unsold 24 hours prior to departure are available for free pensioner travel on a stand-by arrangement.

HOMESWEST - ABORIGINES, ADEQUATE HOUSING

1763. Mr RIEBELING to the Minister for Housing:

(1) Is the Minister aware of the International Covenant on Economic, Social and Cultural Rights 1976 which came into legal force in Australia in 1976 in relation to adequate housing being a basic economic right?

(2) Is Homeswest currently complying with the commitment to provide adequate housing to all Aboriginal people?

(3) How many Aboriginal people have been refused Homeswest housing in the past 12 months?

(4) How many Aboriginal people have been evicted in the past twelve months by court order?

(5) How many Aboriginal people have vacated Homeswest accommodation in the past 12 months after receiving advice of a court order being made?

(6) How many Aboriginal people have vacated Homeswest accommodation in the past 12 months after receiving a letter from Homeswest advising them to quit the property?

(7) Is the Minister aware of the recommendations of the Task Force on Aboriginal Social Justice 1994?

(8) If so, what recommendations are being implemented or have been implemented and what recommendations are not to be acted upon?

(9) What action has the Minister taken to reduce the numbers of evictions of Aboriginal people?

(10) What action has the Minister taken to reduce the number of homeless Aboriginal people?

(11) What action has the Minister taken to reduce the occurrence of overcrowding in Homeswest homes provided to Aboriginal people?

(12) Will the Minister allow the appeals structure to become completely independent of Homeswest?

(13) Will the Minister ensure that medical practitioners are included in all appeal panels?

(14) Is the Minister satisfied that current Homeswest practices are adequate and responding to the needs of Aboriginal people?

(15) Will the Minister set up an appeal system to allow tenants to argue that evictions should not be lodged in court?

Mr KIERATH replied:

(1)-(2) Yes.

(3)-(6) Homeswest does not keep data based on ethnicity. Homeswest policy and procedures apply equally to all persons irrespective of ethnicity.

(7) Yes.

(8) The recommendations relating to Homeswest are in the process of being implemented.

(9) This is an ongoing process and includes the following -

- Provision of $1m per annum for the Special housing assistance program
- Evictions Working Party to develop early intervention strategies.

- Establishment of the Aboriginal Housing Directorate, including customer support officers.
- Headleasing arrangements with community and Aboriginal agencies.
- Department of Family and Children's Services dysfunctional tenancies program.
- Housing access loans assistance in securing private rental accommodation.
- Aboriginal housing loan.
- Department of Social Security direct deduction scheme.

(10) No families in Western Australia should be homeless provided they are not selective in terms of the area and type of accommodation requested, they pay their rent, maintain suitable property standards and live in harmony with their neighbours. If there is prior debt due to Homeswest, a satisfactory arrangement must be made.

(11) Housing is allocated according to family needs. Families overcrowding other tenancies can be assisted in their own right subject to meeting eligibility criteria. Homeswest also provides a housing access loan to assist people in securing their own accommodation in the private sector.

(12) The third tier of Homeswest's appeals mechanism, the Public Housing Review Panel, is completely independent of Homeswest.

(13) No; however, I will consider nominations on their merits.

(14) Yes.

(15) No.

TRANSPORT - PERSONAL MOTORISED; PUBLIC, USAGE; FARES; SUBSIDIES

1764. Mr RIEBELING to the Minister representing the Minister for Transport:

(1) How many Western Australians have personal motorised transport?

(2) What percentage of Western Australians rely on passenger transport provided by others in the -

(a) metropolitan area; and
(b) country areas?

(3) What are typical trip fares per kilometre in the metropolitan area by school bus, taxi and public transport?

(4) What proportion of costs are covered by fares?

(5) What are the per passenger kilometre subsidies for public transport in the metropolitan area and Bunbury?

(6) What are the per passenger kilometre subsidies for train journeys to and from Perth/Kalgoorlie, Northam and Bunbury?

(7) What is the Government's policy on assisting people in the regions who have no personal motorised transport?

(8) Does the Government consider providing better personal transport for Western Australians living in country areas a priority, since the Human Rights Commission case on access by physically challenged people to Perth buses?

Mr LEWIS replied:

The Minister for Transport has provided the following response:

(1)-(2) (a) I refer the member to the answers provided to his question 1574 of 2 July 1996.

(b) No separate information is available in relation to non-metropolitan areas.

(3)-(8) I refer the member to the answers provided to his question 1574 of 2 July 1996.

HOMESWEST - LAND FOR DEVELOPMENT, ASSESSMENT PROCEDURE; ENVIRONMENTAL ASSESSMENT

1782. Mr RIEBELING to the Minister for Housing:

(1) What is the procedure for assessing areas of land for development of Government housing?

(2) Is there an environmental assessment performed before development begins?

(3) If so, who performs this assessment?

(4) What consultation does the Minister have with the Minister for the Environment to ensure that the development will not have an adverse environmental impact?

Mr KIERATH replied:

(1) Homeswest follows the procedures established by planning and environmental statutes and agencies. Typically Homeswest assembles a project team comprising a project manager, town planner, engineer, land surveyor, environmental consultant, landscape architect and marketing consultant. Other specialist consultants are appointed on an as need basis. The team works in an interactive manner to assess the characteristics of the site, analyse constraints and opportunities both physical and financial and produce plans which meet Homeswest's objectives and the requirements of the statutory bodies.

(2) As required.

(3) Appointed private sector environmental consultant.

(4) Negotiations on environmental issues are normally handled at departmental level. However, consultation has occurred on projects which were identified as having significant environmental consequence.

STRATA TITLES - BROCHURE, PRODUCTION COST

1783. Mr RIEBELING to the Minister for Housing:

(1) What was the cost of producing the brochure on strata titles?

(2) Who printed the brochure?

(3) Who wrote the brochure?

(4) Which radio stations played advertisements regarding strata titles?

(5) What was the cost of these advertisements?

(6) Which newspapers carried advertisements about strata titles?

(7) What was the cost of the advertisements?

(8) Where were the funds drawn from to pay for -

(a) the brochure;
(b) radio advertisements;
(c) newspaper advertisements?

Mr KIERATH replied:

The member has asked this question of me as Minister for Housing, however, strata titles comes within the jurisdiction of the Minister for Lands, and therefore in that context my reply is as follows -

(1) The total cost of printing all brochures on strata titles is $13 684.

(2) The Real Estate Institute of Western Australia.
Advance Press Pty Ltd.

(3) Officers of the Department of Land Administration.

(4) 6PR and 94.5FM.

(5) $10 140.

(6) The *West Australian*, *Sunday Times* and the Community Newspaper Group.

(7) The actual cost cannot be provided until all invoices are received.

(8) Department of Land Administration.

TASK FORCE ON ROAD SAFETY AT SCHOOLS (1991) - REPORT 1993; RESPONSE

1794. Mr CATANIA to the Minister for Planning:

(1) Will the Minister confirm that a 1991 Taskforce on Road Safety at Schools referred its recommendations to the Government in 1993?

(2) Has the Western Australian Planning Commission set out a policy in response to this report?

(3) if yes, what measures have been implemented in response to this report?

(4) Which recommendations have not been implemented?

(5) Will the Minister provide reasons as to why not?

Mr LEWIS replied:

(1)-(5) The relevant recommendations contained in the "Taskforce on Road Safety at Schools" report as they relate to planning are being considered by the Western Australian Planning Commission, in its current preparation of a "Community Codes" document. This new document will supersede the "WAPC (SPC) Policy Manual No.1 - Development Control" document and will be considered by the Government upon its completion.

RADIOLOGICAL COUNCIL - RADIATION INCIDENTS, 1995; KARRATHA WELL

1812 Dr EDWARDS to the Minister for Health:

With respect to radiation incidents notified to the Radiological Council in 1995 -

(a) what were the circumstances leading to an industrial radiographer receiving a dose of 33 mSv;

(b) when and how was the Radiological Council informed of the incident;

(c) how did the americium-beryllium neutron source and the caesium source come to be abandoned in a well 150 km offshore from Karratha; and

(d) on what date was -

(i) the borehole plugged;
(ii) a warning plaque attached to the well; and
(iii) the Radiological Council advised of the incident?

Mr PRINCE replied:

(a) The circumstances that led to the incident were reported to be:

A worker did not use the radiation safety meter to check the location of the radioactive source and did not lock the control mechanism as an additional precaution to ensure the source was safely in its container.

(b) The Radiation Health Section was informed by the industrial radiography firm of the incident on 2 June 1995. This was subsequently confirmed with a written report on 12 June 1995 to the Radiological Council. The council discussed this matter at its meeting on 15 June 1995.

(c) A well-logging company advised that the sources had been abandoned on 21 July 1995 in a well on a petroleum platform at a depth of 4.8 km after the hole collapsed around a logging tool. Due to the depth and the fact that the hole was being drilled sideways, the tool was irrecoverable.

(d) (i)-(ii) Unknown.
(iii) The Radiological Council discussed this matter at its meeting on 24 August 1995.

ETHNIC GROUPS - NON-ENGLISH SPEAKING BACKGROUND (NESB) PEOPLE, PROGRAMS MEETING NEEDS; LANGUAGE SERVICES, FUNDING ALLOCATIONS

1824. Mrs ROBERTS to the Minister for Health:

(1) What funds have been allocated, within the Minister's portfolio, for programs which are aimed at specifically meeting the needs of ethnic groups and individuals of non-English speaking background?

(2) To which programs have these funds been allocated?

(3) What amount has been allocated for language services?

Mr PRINCE replied:

(1) Funding for NESB people is in the main incorporated in Health Service contracts and in contracts with non-governmental organisations such as Fremantle Women's Health Centre and ISHAR Multicultural Centre for Women's Health, which provide direct care for NESB people. Information on funds specifically for NESB purposes cannot be easily extracted. Curtin University has recently undertaken a pilot review of the cost of providing such services and more accurate information may be available in the future.

(2) Funding does go to the following NESB groups:

ISHAR Multicultural Women's Health Centre	$145 000
Gosnells	$141 000
Fremantle Women's Health Centre	$205 000
Migrant Health Service	$95 000
Ethnic Health Workers x 5	$115 000
Community Health Nurses x 5	$200 000
Multicultural Access Unit HDWA	$135 000

Other programs funded include:

Transcultural Psychiatric Services	$297 000
ASeHs	$290 000 (unconfirmed)
Silver Chain	
Home and Community Care	
Women's Health Care House	
Women's Cancer Screening	$26 000
Mental Health Department (HDWA)	

North, East and South Metropolitan Regions allocate funds from their main budgets for NESB clients.

(3) In regard to allocations for language services, again, no specific allocation is made, but it is incorporated within the main contracts with hospitals (an estimated $800 000). The requirements set out in the memorandum of understanding for the Purchase and Provision of Health Services (1996/97) are as follows:

> adhering to the HDWA policy regarding the use of interpreter services (Language Services in Health Care. Policy Guidelines. HDWA, October 1994);
>
> orienting all staff to the communication needs and cultural differences of people from a non-English speaking or Aboriginal background and to sources of assistance for cultural matters;
>
> making available printed information regarding service availability, in English and other languages as appropriate;
>
> employing ethnic or Aboriginal staff in the delivery of services to these groups where utilisation of specific services is high.

In the case of the Multicultural Access Unit, the cost of coordinating translated material is approximately $93 000. This can be rounded off from the memorandum of understanding. Access to health services - is a key issue affecting the ability of an individual to gain access to health services is that of cultural and linguistic difference and knowledge regarding available services.

MULTICULTURAL INTERESTS, OFFICE OF - DIRECTOR, POSITION LEVEL; RESOURCES

1830. Mrs ROBERTS to the Minister for Multicultural and Ethnic Affairs:

(1) What is the current level for the position of Director of the Office of Multicultural Interests?

(2) Is any change to that position proposed?

(3) If so, what change?

(4) Have any extra resources been allocated to the Office of Multicultural Interests?

(5) Has the Minister consulted any community groups regarding changes to OMI?

(6) If so, which community groups have been consulted?

(7) When were they consulted?

Mr OMODEI replied:

(1) The position of director is classified at level 9.

(2) No.

(3) Not applicable.

(4) No extra resources have been allocated to the office for the 1996-97 financial year.

(5) No.

(6)-(7) Not applicable.

WORKPLACE AGREEMENTS - LANGUAGES OTHER THAN ENGLISH (LOTE) SERVICES, FUNDING

1831. Mrs ROBERTS to the Minister for Labour Relations:

What funds have been allocated to the Commissioner of Workplace Agreements within the state Budget for -

(a) provision of information in languages other than English in printed form relating to the Government's workplace agreement legislation?

(b) LOTE services for those workers of non-English speaking backgrounds who have difficulties with English when signing workplace agreements?

Mr KIERATH replied:

(a) There are no funds allocated specifically within the state Budget to the Commissioner of Workplace Agreements for the provision of printed LOTE information however, the commissioner advises that up to $15 000 has been allocated internally for printing. A significant proportion of these funds are spent on the printing of correspondence and forms sent to employees who have signed workplace agreements which includes information in twelve other languages for LOTE people.

The Department of Productivity and Labour Relations has also internally allocated funds for this purpose and in the previous financial year spent $28 138 to produce the "Voluntary Workplace Agreements" booklet in the fifteen most common languages. The booklets will be updated and reprinted as required.

(b) $3 000 has been allocated for the use of interpreter and translating services for the purpose of making a decision as to whether or not an agreement should be registered and to provide information to those people who are seeking it. The Commissioner advises that the provision of these services is a priority and if this allocation is used, funding will be provided by using money from other cost centres within his budget.

MULTICULTURAL INTERESTS, OFFICE OF - PERFORMANCE EVALUATION

1861 Mrs ROBERTS to the Minister for Multicultural and Ethnic Affairs:

(1) What evaluation has been undertaken of the performance of the Office of Multicultural Interests in -

(a) 1993;
(b) 1994;
(c) 1995;
(d) 1996?

(2) In view of these evaluation and performance appraisals, what changes are planned by the Minister in the structure of the Office of Multicultural Interests?

Mr OMODEI replied:

(1) The completed findings of an administrative review into the Office of Multicultural Interests was lodged with the Minister for Multicultural and Ethnic Affairs by the then Public Service Commission on 2 February 1993. No similar work was undertaken in 1994 and 1995 although a current review of the structure and operations of the office is nearing completion.

(2) I am awaiting the completed findings of the current review before endorsing any structural changes to the Office of Multicultural Interests. The review should be lodged with my office in September.

QUESTIONS WITHOUT NOTICE

POLICE SERVICE - ARGYLE DIAMONDS AFFAIR

Forensic Behavioural Investigative Services

430. Mr McGINTY to the Premier:

Does the Premier believe that it is improper for the Commissioner of Police to allow absolute access to confidential police advice to private investigators, Forensic Behavioural Investigative Services, so that company may serve a private client and reap private commercial gain in exchange for two secret reports, one on Deputy Commissioner Les Ayton, and one on police incompetence and criminality? Further, he provided a copy of the Australian Federal Police report on the Argyle Diamonds affair to FBIS, a private company, before either the Minister or the Parliament had seen the report.

Mr COURT replied:

I am not aware of the detail in relation to the second part of the question.

The police have been carrying out investigations on the Argyle Diamonds matter. Its first investigation began I understand in 1989 to investigate some events that occurred prior to that. In total, three police investigations have been made into this affair. Much disquiet has occurred both within the company and the community as a whole over how this matter has been handled. A new Police Commissioner has used his tactics to try to bring this matter to a head and have the information revealed to resolve what has obviously been a very unsatisfactory situation.

Mr Ripper: Should those tactics have included trading access to confidential information for more work done for the company?

Mr COURT: I do not know the detail of the tactics used by the Police Commissioner and the police on this matter, so I cannot comment on it.

Mr Ripper: Were you not alarmed about the report in the newspaper this morning?

Mr COURT: I understand certain procedures must be complied with in notifying the people who are named in the Federal Police report on the Argyle Diamonds affair. As the Minister said, as soon as he has advice that it is proper to table that report, it will be tabled in this Parliament. It is all very well for the Leader of the Opposition to make short-term political mileage out of this situation, but his main concern should be to ensure that if wrongdoing has occurred in this State, and investigations have not been up to standard, he is supportive of a police service that is prepared to uncover those activities. The Leader of the Opposition should be a little wary about jumping on a bandwagon before he knows all the facts.

POLICE SERVICE - ARGYLE DIAMONDS AFFAIR

431. Mr McGINTY to the Premier:

On the question of impropriety and standards, does the Premier believe it is improper for the Minister for Police to be so unconcerned about the crisis besetting the Police Service that the Minister has not even read the reports about Argyle Diamonds; was not aware of FBIS reports about police incompetence and into Deputy Commissioner Les Ayton; failed to ask whether allegations were serious or otherwise and demand that they be followed up; and refused to be accountable and provide copies of the reports to the Parliament, when those reports were in the possession of the Police Service and for the benefit of the Western Australian police, not Argyle Diamonds?

Mr COURT replied:

The Leader of the Opposition has used the word "crisis". It is absolute nonsense. The Police Service has been able to get to the bottom of an affair which goes back to the 1980s when members opposite were in government. Therefore, if anyone should hang their heads in shame, it is members opposite because, when in government, they were not able to resolve the matter.

Several members interjected.

The SPEAKER: Order!

Mr COURT: We are in government! The Commissioner of Police has taken action to bring the matter to a head. The Leader of the Opposition should wait until he receives all the facts before he jumps on the bandwagon. The Opposition has a history of running on populist issues, particularly when driven by the media. I suggest the Leader of the Opposition wait until the facts are available. The Minister for Police has handled this matter in a very proper way. The Leader of the Opposition would be the first person to criticise if the Minister for Police became involved in an investigation being carried out by the Police Service.

JUSTICE, MINISTRY OF - CAMP KURLI MURRI

Newman Report Tabling

432. Dr HAMES to the Minister assisting the Minister for Justice:

I understand that the Minister has today announced a major restructure of young offender management in Western Australia. Is this a result of the report of Judge Kingsley Newman into Camp Kurli Murri? Will the Minister please table the report?

Mr MINSON replied:

Judge Newman was initially contracted and commissioned to review Camp Kurli Murri. Subsequently his terms of reference were widened to include the broader management of juvenile and young adult offenders.

Mr Graham: That is because he couldn't find anyone in the lockup!

Mr MINSON: That is an interesting remark. For members opposite the answer to juvenile crime problems was the Crime (Serious and Repeat Offenders) Sentencing Act in 1992. They dragged us back from our holidays to introduce that legislation. Members opposite were told it would not work, but they did not share the information with us. Now, they have the temerity to say that something is wrong with us because we have tried something else. They also have the audacity to say that we are wasting money, forgetting that they wasted about $1.5b of taxpayers' money -

Several members interjected.

The SPEAKER: Order!

Mr MINSON: In response to his wider brief, Judge Newman visited a number of Australian and overseas institutions. He also reviewed the relevant literature. As a result, he has recommended a range of reforms, such as placing greater emphasis on restitution or restoration; and, secondly, carefully implemented programs for reintegration into the community and the development of credible alternatives for young offenders facing their first period of detention. It is a comprehensive report which I will table in a moment. The fewer interjections I receive, the sooner I will reach that stage.

We have taken on board Judge Newman's comments. As a result we have a blueprint which I have outlined today and which I hope is well reported, because it sets the tone for all offender management in future. Firstly, there should be punishment - that is pretty axiomatic - which is handed out by the courts. Secondly, programs should be in place which decrease the risk of reoffending. There should be more of those programs, and there are already some very good programs. The third matter is restitution or restoration. We will establish mobile work camps which will be seen to be repaying the community for the damage that those offenders have done. Fourthly, programs will be established that are targeted at reintegration. That will be carried out during the supervised release program.

It is a very comprehensive report, and I urge members opposite to have the good sense and intelligence to read it before they open their mouths. However, when it comes to that lot over there, I will not live in hope. I table the report.

[See paper No 457.]

POLICE SERVICE - FORENSIC BEHAVIOURAL INVESTIGATIVE SERVICES

433. Mr McGINTY to the Minister for Police:

I refer to the services provided to the Western Australia Police Service by Forensic Behavioural Investigative Services.

(1) What contracts have been made or exist with FBIS?

(2) What is the total of payments made or owing to FBIS by the Police Service?

(3) Precisely what services have been provided by FBIS?

(4) Will the Minister table a copy of any instructions or memoranda in the Police Service with regard to police cooperation with FBIS?

Mr WIESE replied:

Mr Speaker -

Mr Thomas: It is an operational matter.

Mr WIESE: The member is learning! I thank the Leader of the Opposition for some notice of this question. The Commissioner of Police has provided the following advice -

(1) Approval has been obtained from the State Supply Commission to engage FBIS for one-off contracts to a total maximum of $50 000.

Mr Ripper: Just under the tender level.

Mr WIESE: That is the tender level, as I understand it.

One-off contracts are separate assignments that have not resulted from a contract performed previously, and where there will be no ongoing assignment as a result of the contract performed.

(2) The total payment made to FBIS is $20 997.50. Up to 24 August 1996, an amount of $12 617 was paid. A further $8 380 was paid on 27 August for the Macro investigation; that is, the Sarah Spiers and Jane Rimmer investigation.

(3) The services provided by FBIS as paid have been professional services to provide assessments, evaluation and strategies with regard to various threat assessments; and professional services with regard to the Macro investigation into the disappearance of Sarah Spiers and Jane Rimmer.

(4) I am not aware of any instructions or memoranda; and, if I was aware, I would not table them, because they are highly confidential instructions about strategic operational matters which I believe should not be made publicly available.

POLICE SERVICE - FORENSIC BEHAVIOURAL INVESTIGATIVE SERVICES

Jane Rimmer and Sarah Spiers Inquiries

434. Mr McGINTY to the Minister for Police:

(1) Will the Minister confirm the existence of a police internal memorandum instructing officers involved in the Jane Rimmer and Sarah Spiers investigations that approval is to be sought from Forensic Behavioural Investigative Services on whether any new course of action is taken?

(2) If such an instruction has been made, does the Minister believe it is proper that a private investigation firm should be calling the shots on a major police murder inquiry?

Mr WIESE replied:

(1)-(2) I am not aware of any such instruction. It will be checked out. I am sure the Leader of the Opposition is aware that a similar question was asked in the other place, which I have asked to be put on notice. I will respond to that question in due course. The Opposition is endeavouring to cast slurs on FBIS. I will quote from an interview between Mr Sattler and Mr Ayton in which a question is asked about the credibility of FBIS. Mr Ayton says -

> Oh look, one was a former Commissioner of Police, I mean you can't get - have higher integrity than that . . . you just can't have more confidence in a person who's a former commissioner of police.

The Leader of the Opposition is talking about the firm which for operational reasons the Commissioner of Police engaged to assist the police to bring to a close an operation into what every member in this House would consider to be one of the most serious crimes in Western Australia. The Commissioner of Police has rightly done everything he can to bring that investigation to a conclusion. I thought that rather than throwing barbs at the Commissioner of Police, members opposite would have praised and thanked him for taking every possible step he could to bring that investigation to a successful conclusion.

EDUCATION DEPARTMENT - TEACHER AIDES, INDUSTRIAL DISPUTE

435. Mr BOARD to the Minister for Education:

I refer to television reports last evening about the effect on children with disabilities of the pay dispute between teacher aides, represented by the Australian Liquor, Hospitality and Miscellaneous Workers Union, and the Education Department.

(1) Are teacher aides applying sanctions on duties for children with disabilities, such as the toileting, feeding and lifting of students?

(2) If so, what effect is this having on the students?

(3) What is the department doing to resolve the industrial dispute?

Mr C.J. BARNETT replied:

I thank the member for Jandakot for the question. He has special education units within his electorate.

Dr Gallop: We all have.

Mr C.J. BARNETT: The member for Victoria Park should listen. Most members of this Parliament have similar units in their electorates. Negotiations over an enterprise bargaining agreement for teacher aides have been going on for a long time. Equally, I recognise that those workers within the school system are not highly paid. However, the work bans that are in place in around 20 schools in this State are indefensible. During the past two or three days my office has received a number of calls from very distressed parents. In these circumstances all of the children are intellectually disabled; many have severe physical disabilities as well. In a limited number of cases children have effectively been left strapped into a stationary position for extended periods. Children in that position have had food left in front of them, unwrapped. They cannot feed themselves and they have not been fed. Children have been allowed to soil themselves because they have not been taken to the toilet when they have needed to go.

Mr Marlborough interjected.

The SPEAKER: Order! I formally call to order for the first time the member for Peel.

Mr C.J. BARNETT: That has not been a general occurrence. However, a significant number of parents are extremely distressed at the way these disabled children are being treated. The union's behaviour in supporting these bans is outrageous.

The Education Department has had on the table for some time now an offer of 7.4 per cent.

Several members interjected.

Mr C.J. BARNETT: This is incredible. The teachers got a 15 per cent increase over two years. Teacher aides have been offered a 7.4 per cent increase over one year. Other benefits can also be negotiated. The increase offered to teacher aides is exactly the same as that offered to other public servants within the Education Department, and accepted. The Education Department has been flexible in all sorts of other conditions and benefits offered. There has been a willingness to negotiate. Unfortunately the union has taken a belligerent position. Only one group of people in our community is suffering. I am amazed that those on the other side yap. These kids are severely disabled. They are suffering. A small number of teacher aides and the union, with their support, are treating these kids in a very cruel and unfair way.

Point of Order

Mr MARLBOROUGH: I raise this point of order in respect of the statement just made by the Minister. He has deliberately misled the House. He knows he was with me at a special school in my electorate four weeks ago when, at a morning tea, he told the teacher aides that the dispute had been an error and that he had intervened and had fixed up the matter. He also told the teachers and parents who were there. For him to come in here and castigate those teacher aides in the way in which he has is deliberately misleading the House.

The SPEAKER: Order!

Mr Catania interjected.

The SPEAKER: Order! I ask the member for Balcatta to come to order. There is no point of order.

Questions without Notice Resumed

SWAN BREWERY - BLUEGATE NOMINEES, EXTENSION

436. Dr CONSTABLE to the Minister for Works:

My question relates to the extension of time the Minister recently granted to Bluegate Nominees to complete the construction of the old Swan Brewery. I ask -

(1) On what conditions was the extension granted?

(2) What penalties, if any, can be applied if Bluegate Nominees does not complete the work on time?

(3) Did the Minister use this opportunity to renegotiate the terms of the lease to get a better deal for the State; and, if not, why not?

(4) Is it the case that Bluegate Nominees can on-sell the lease at any time if it wishes to do so?

Mr MINSON replied:

(1)-(4) It is perhaps best that I give some background to this matter. A section of the agreement with Bluegate Nominees is binding on the Government, as one of the parties, to consider altered circumstances. A little while ago we were approached by Bluegate Nominees. It put a case where there were altered circumstances, the first being that the rental situation in the central business district was such that it was having trouble

attracting a tenant. The second was that it was given a guarantee by the previous Government that all clearances and so on would be put in place.

Mr Kierath: Who gave us that contract?

Mr MINSON: We all know who gave the contract. In fact, Aboriginal clearances were not put in place. In view of those matters, we have given Bluegate Nominees a six months' extension under the same terms and conditions. There are no altered conditions; they remain the same. Without taking legal advice on this matter - I am not a lawyer, I ask members to understand - I assume that if Bluegate Nominees does not fulfil its part of the contract, it will be in breach of it; therefore, appropriate action could be taken.

We did not believe it was appropriate to renegotiate at this time. There were altered circumstances and we were approached by Bluegate Nominees as a result of those altered circumstances. It wanted to renegotiate, but we said no; it remains the same and any renegotiation must take place in the future. I do not think Bluegate Nominees can on-sell, but I will have to check and inform the member. I am not sure of those circumstances.

HOSPITALS - SIR CHARLES GAIRDNER

Ward Allocations, Changes

437. Dr GALLOP to the Minister for Health:

I refer the Minister to the changes being made to ward allocations at Sir Charles Gairdner Hospital and ask -

(1) Is it not true that the number of beds in the intensive care unit is to be halved?

(2) Is it not also true that an additional seven beds will be cut from the coronary care and cardio-thoracic surgical units?

(3) Why is the Minister allowing further cuts in the capacity of our public hospital system?

(4) Is it because of the Howard Government's $74m cut to the nation's public hospitals this year?

Mr PRINCE replied:

(1)-(4) No.

Dr Gallop: Do you want to see the memorandum?

Mr PRINCE: I have actually received a memo from the Chief Executive Officer of Sir Charles Gairdner Hospital since the Deputy Leader of the Opposition raised this matter in the public arena this morning with the media - and I hope that he is not trying to scaremonger again.

Several members interjected.

The SPEAKER: Order!

Dr Gallop: There is a crisis at Sir Charles Gairdner. You should talk to the doctors, nurses and the board of management.

Mr PRINCE: As the Deputy Leader would know, in March next year the orthopaedics and urology procedures carried out at Hollywood Hospital will be transferred to Sir Charles Gairdner Hospital under the terms of the contract. Sir Charles Gairdner clearly must make plans to handle that. I applaud the executive and management of Sir Charles Gairdner for, six months out, planning how to do that. At the same time, for the past 18 months they have been engaged in a reworking of the way in which the hospital runs. They have developed clinical services units, so that a ward will have patients of a particular type - they will not mix patients. This is all part and parcel of what is being looked at with perhaps moving beds around within the hospital without moving units. If any reduction were proposed, particularly in intensive care beds - and there are 18 at the moment, of which 14 are in common use -

Dr Gallop: Because of a lack of resources.

Mr PRINCE: If 14 were in use and that number were reduced to nine, there would obviously be a knock-on effect to the other hospitals that run ICUs; those are Royal Perth, Fremantle, King Edward and perhaps Princess Margaret. I would not have a bar of any plan that did not take into account all of the other hospitals.

I was in Princess Margaret ICU last night with a group of members from this side of the House. That ICU is largely underutilised, so it is possible, for example, for adolescents of, say, 14 years of age not to be in the adult hospital but, rather, in the children's hospital. That possibility may in fact be very good clinically. Certainly, the CEOs of Princess Margaret and King Edward want to be able to progress that.

Any suggestion that there should be a reduction in ICU beds at Sir Charles Gairdner is not something I would countenance without seeing it considered, not just by one hospital but by all hospitals and the department, and a plan being presented to me that ensures the best possible service in intensive care -

Dr Gallop: My question is right: There was a plan to halve the number of ICU units.

Mr PRINCE: No, there is no plan at all. The member is wrong.

Dr Gallop: I have the document and you know it.

Mr PRINCE: I did not interrupt the Deputy Leader when he asked the question and I am now trying to provide the answer. The best possible service, particularly in the intensive care and cardio-thoracic areas, must be available. There cannot be a reduction in one place without an increase in others. There is no plan.

In the course of looking at what to do next March, when there will be an increase in demand as a result of the transfer of orthopaedics and urology procedures and the reorganisation at Sir Charles Gairdner Hospital, the chief executive officer has informed me that a memorandum was written in the light of previous discussions in the hospital executive committee - and it was written for the committee in order to challenge some lateral thinking in resolving issues -

Several members interjected.

The SPEAKER: Order! I ask the Minister to bring his answer to a conclusion.

Mr PRINCE: The chief executive officer is part of a decision making and planning process. She put out the memo to a very limited number of people in order to stimulate discussion -

Dr Gallop: How come the memo says that the discussion will not go further?

Mr PRINCE: - within that small group of people. I operate on information that is given to me by the hospital through normal channels - through the Health Department. The Deputy Leader operates on leaks. What we have here is the hospital's engaging in a planning process.

Dr Gallop: We caught you out.

Mr PRINCE: I have not been caught out at all.

There is no plan and there is no reduction in beds at all. As I have just been at pains to explain, there would be no plan without looking at the situation in major detail.

Several members interjected.

The SPEAKER: Order!

MARIJUANA - DECRIMINALISATION

438. Mr OSBORNE to the to the Premier:

The *South Western Times* has recently reported that three Bunbury teenagers were hospitalised after smoking marijuana. Given the Labor Party's support for the decriminalisation of marijuana, could the Premier advise the House if it is the Government's intention to continue its opposition to decriminalising this gateway drug?

Mr COURT replied:

I am aware that three Bunbury teenagers were hospitalised after smoking marijuana and I can assure the member that the Government will not be moving to decriminalise this gateway drug.

Dr Watson: It was not just marijuana; they were taking other substances.

Mr COURT: It is interesting to note that in Victoria earlier this year they had a very extensive debate on this issue and they came up with a similar policy to our own. Members opposite would not deny that there are strong links between marijuana and other drugs. It has been found in recent drug hauls that not just marijuana but other drugs have been caught in the same hauls. The Labor Party is entitled to its position of wanting to decriminalise. The coalition Government will not be going down that path. As far as we are concerned, those who are soft on drugs are also soft on crime.