

## **Legislative Council**

Thursday, 23 November 1995

**THE PRESIDENT** (Hon Clive Griffiths) took the Chair at 2.30 pm, and read prayers.

### **PETITION - REGIONAL PARK SOUTH OF GUILDERTON ESTABLISHMENT**

Hon Tom Helm presented a petition, by delivery to the Clerk, from 23 residents of Western Australia requesting that the Government establish a regional park immediately to the south of Guilderton in order to protect the mouth and lower reaches of the Moore River and the significant dunes and coastal heathland south of the mouth of the Moore River and further requesting that the Government take urgent action to acquire this land before it is further rezoned or developed.

A similar petition was presented by Hon Graham Edwards (23 signatures).

[See papers Nos 889 and 890.]

### **JOINT STANDING COMMITTEE ON COMMISSION ON GOVERNMENT**

#### *Fifth Report Tabling*

Hon Barry House reported that he had been directed to present the fifth report of the Standing Committee on Commission on Government relating to the deferred recommendations contained in chapter 2 of the Commission on Government's first report, recommendations 1 and 2 and 5 to 11, and on his motion it was resolved -

That the report do lie upon the Table and be printed.

[See paper No 888.]

### **MOTION - URGENCY**

#### *Competitive Tendering Contracting Out (CTC) Program*

**THE PRESIDENT** (Hon Clive Griffiths): I have received the following letter addressed to me -

Dear Mr President

At today's sitting, it is my intention to move under SO 72 that the House, at its rising, adjourn until 9.00 am on December 25 1995 for the purpose of discussing issues related to the processes and outcomes of the CTC program particularly in the light of matters raised in the Auditor General's Report No 9, November 1995.

Yours sincerely

Kim Chance MLC

Member for Agricultural Region

In order for this matter to be discussed it will be necessary for at least four members to indicate their support by rising in their places.

[At least four members rose in their places.]

**HON KIM CHANCE** (Agricultural) [2.36 pm]: I move -

That the House at its rising adjourn until 9.00 am on 25 December.

Over recent months both the Standing Committee on Government Agencies and the House have spent some time considering the processes, outcomes and other factors concerning the competitive tendering and contracting out program, the CTC program. We have had those considerations in isolation of many of the factors. We certainly have a view on the matter. I would hesitate to call it a collective view, but at least it is well defined. One of the points that was made during the consideration by the Standing Committee on Government Agencies was that regardless of whether we are in favour of

the CTC program or in opposition in broad principle to perhaps the more extreme elements of the program, it is necessary that we understand the process, and understand it very well, because one can neither argue effectively for or against the program without some reasonable knowledge of its effects. I said that we were operating somewhat in isolation of the facts. That is true, because the CTC program is relatively new, and we have not had any comprehensive means available to us by which to judge the effectiveness of the program. We work on claim and counterclaim and isolate those cases which most suit our arguments. Generally speaking, that is not a terribly productive way to conduct an argument. It was not until this month in 1995 when the ninth report of the office of the Auditor General was tabled in this House that we had really any idea at all about the outcome of some of the processes that had been put in place in certain agencies. Even now I feel we are looking at only the tip of the iceberg. The Auditor General points to the fact that in some cases these are relatively marginal projects and that in some cases they have suffered from the very newness of the scheme. Nevertheless, it is the first time that we have had some objective measure with which to compare the CTC process. The report gives some insight into the difficulties and, indeed, the marginal nature of the benefits CTC carries with it. To illustrate that I will quote a short passage from page 69 of the report under the heading "Evaluation of Costs and Savings". This part of the report relates to the Sir Charles Gairdner Hospital review and consultancy service. The Auditor General states -

The discounted net cash flow of the quantifiable costs and savings of the Review shows that over a five year period net savings of some \$6 million at 1992-93 prices are expected to be achieved . . . This net saving represents less than one per cent of total operating expenditure during the period.

That statement struck me squarely between the eyes. On every occasion we have looked at the potential savings from the CTC program, specifically in the health area, Health Department of Western Australia officials and, on occasion, the Minister himself have pointed to savings of at least 20 per cent. Yet in the first expression of any scale of the employment of the CTC process - that of Sir Charles Gairdner Hospital - the Office of the Auditor General has identified savings less than 1 per cent of the total operating cost. I will give members some idea of the gravity of that statement.

The Sir Charles Gairdner Hospital Review Consultancy Service was not a two-bob affair. Its budgeted cost was \$4.6m. As I will explain shortly, its actual cost has been far higher than that; indeed, almost three-quarters of a million dollars higher than the expected cost. We have always known - I believe this would be common to both sides of the argument - that it is difficult to measure the benefits of this new program. The Auditor General points to those difficulties. On page 69 he states -

The Review also highlighted deficiencies in the Hospital's management and financial information systems . . .

That is not a criticism of the process. However, the Auditor General is pointing to the fact that a financial accounting system was not operating within the hospital's existing management structure that was capable, not of being converted to the new process, but of expressing what the real costs were before the conversion was made. It goes without saying that unless we know where we are now, there is no way on earth that after we have gone somewhere else we can accurately measure how far we have travelled: We cannot then compare apples with apples. At the end of the day, particularly in the light of the identified marginality of the potential benefits from contracting out, we will go through all this pain and line the pockets of all these consultants, but we will not know whether a benefit has been achieved. That would be a tragedy from either side's point of view - either the protagonists or the antagonists - because neither would be satisfied by the outcome. The Auditor General on the same matter comments about monitoring and reporting in the Sir Charles Gairdner process. He says -

The examining found that monitoring and reporting considerations had not been given a high priority by the hospital when planning the review and that there were deficiencies in the mechanisms eventually put in place.

In other words, despite the expense of almost \$5m, even the fundamentals were not put in place before it began. Similarly, no real methodology could enable those comparisons to be made. Page 68 of the report states -

The task force produced a broad outline of options but did not prepare a detailed business case for this major investment.

It most certainly was a major investment. It continues -

The decision to proceed with the project was made on the basis of unrealistic estimates of the timing of the benefits and without a full strategic, technical and financial appraisal of options and associated risks.

The Auditor General has the capacity to put things simply, succinctly and clearly. To make it even more blunt he says that in going into this enterprise, the Government was flying blind; it did not know where it was and had no idea of where it was going. The Government's belief was expressed most aptly by the Minister for Finance in an earlier debate when he told us that the Government believed we should go into privatisation even if it cost the taxpayers more because privatisation was good for us.

Hon Max Evans: Hon Bob Thomas has quoted that around the south west. If you get a better service, you will pay more for it.

Hon KIM CHANCE: That is not what the Minister said; it might be what he meant. This whole process has been less than satisfactory. To be fair I must say that a number of services were audited by the Auditor General. In the main the scale of the contracts was fairly minor. Indeed, one included services at the Department of Land Administration. I note that the Leader of the House is assiduously taking notes on this.

Improvements were made in those other services. However, common to them all was the marginal benefit in dollars terms. Although the percentage of saving compared with the ongoing cost of the service was significant enough, the benefits were pretty much small bickies. As I remember, the report identified savings from the process for the South Perth ferry service of about \$199 000 over a five year period. That is not a major change.

Hon Max Evans: One per cent of the whole of government is \$60m. That is not bad.

Hon KIM CHANCE: The Minister makes a good point. If that were clearly established, I would not make a major point about it. I make a major point about 1 per cent for essentially two reasons: The first is that that 1 per cent saving occurred in a hospital area. As I have said, every time we have looked at the argument for contracting out in hospital services, we have been told that benefits of at least 20 per cent can be expected. Therefore, a figure of 1 per cent brings it back to the field a little. The other reason 1 per cent is significant is that given the obviously inadequate level of financial accounting systems to make the comparison between old and new systems, I am concerned that a 1 per cent improvement is such a marginal improvement that it could easily be lost in a comparison between the two systems. That is why I say that I do not think either side can be satisfied. I do not think either side would disagree with my view that we must be able to measure this process adequately and accurately. It makes no difference to whether we finish up arguing on one side or the other.

The dangers that have been pointed to by members on this side of the House from problems which can be posed in a clinical sense when this system is imposed on a hospital are represented to some extent in the Auditor General's report, although that would probably be one of the last places one would look to find clinical disadvantages. At page 68 of the report the Auditor General notes -

... not all task force recommendations were implemented. For example, recommended changes in wound management procedures were not accepted as good clinical practice;

That is not a problem because it was picked up early in the process and nobody was disadvantaged. My concern is that if we apply, on the basis of what the bean counters say is good financial practice - for example, hospital funding through a resource allocation model - and we get that model wrong, in the same way as the management

procedures in this report were wrong, there some serious problems will result, especially if the hospital management tried to run to the budget at all costs. The only result that could come from that would be poor clinical outcomes.

I seem to be running out of time and there were a number of things I wanted to raise. I urge members opposite to thoroughly read the conclusions and recommendations which the Auditor General made. Some of them will give them a certain degree of joy, and I am happy to accept that there is some good news in it for the protagonists of contracting out. However, if members opposite read the report clinically and analytically some of the conclusions and recommendations will give them real concern. Many of the factors concerning the application of competitive contracting out in the public sector which the Opposition has warned them about are repeated and underlined by the Auditor General.

**HON JOHN HALDEN** (South Metropolitan - Leader of the Opposition) [2.52 pm]: Having read the Auditor General's report I take this opportunity to revisit the issue I raised last week about the contracting out of school cleaners. The Auditor General's report highlights some of the Opposition's concerns which it expressed in that debate. Fortunately, I am now able to provide the House with more information which the Minister for Education will, I am sure, be delighted to know I have.

Hon Kim Chance said we must know the base cost at a point in time. Arthur Andersen's report started with a base cost of \$40m as the cost of cleaning schools. We know that the total cost of cleaning and gardening in government schools is \$48m. We also know, by means of deduction, that the real cost of cleaning government schools in Western Australia is approximately \$25m. I put that to the Minister for Education and he neither altered nor challenge them. I asked him to provide the true figures, but I have not yet received an answer; I am not holding my breath. The Opposition must know the correct figures to enable it to compare these two systems.

Last week the Minister said he was offering the Federated and Miscellaneous Workers Union of Australia an opportunity to develop an enterprise bargaining agreement for cleaners to compete against this group of people. He was not prepared, in that competition, to provide the union with the necessary costing to allow it to be able to compete in any way. He expected them to compete in a vacuum. The Government is now setting up a vacuum of information so that the community has no idea of the net return, if any, to the taxpayer. The Opposition put a simple proposition to the Minister for Education; that is, detail the cost structures on which these decisions are based. He can give the Opposition the raw figures and it will be able to compare now with 12, 18 months or whatever he wants. However, that is not the name of the game. What the Opposition has been talking about has been referred to as ideology. It may not be; it may be poor policy decision-making. We will never know and the Government will not be able to substantiate its argument to the Opposition's satisfaction unless it provides the most rudimentary figures on which it is basing its decisions.

The Leader of the House made reference to the Industries Assistance Commission and its finding that there had been a saving of 20 per cent. We now know that the saving may be in the order of 1 per cent. I said at the time that the figures may be exaggerated.

Hon George Cash: I am more than happy to provide you with the evidence.

Hon JOHN HALDEN: I am not saying the figures in the report are wrong, but based on this they are dubious.

Hon George Cash: The Auditor General has looked at four areas and has come up with his own figures.

Hon JOHN HALDEN: The figures are just as valid as those in that study. The Opposition raised the issue of the services which are provided and I think the Leader of the House referred to the situation in New South Wales - I am sure he will tell me if I am wrong.

Hon George Cash: You are never wrong.

Hon JOHN HALDEN: He said it was a wonderful contracting out system, but we want

to consider the issue of the services being delivered. Are the services the same or is the situation similar to the botch-up with the Port Macquarie Hospital. The review of the cleaning services in government schools said -

There is wide spread concern by schools about the new arrangements as evidenced by the strong response to call by submissions to review.

The Review received nearly 500 submissions which is an extraordinarily high number especially given the short time frame. Independent of the Review, the LHMU conducted a survey to which there were over 1000 replies. This level of interest and the consistent themes of dissatisfaction and frustration with the new arrangements represents a problem which must be addressed.

"Client needs are not being met" appears to be a reasonable conclusion. Indeed our view is that cleaner definition needs to be given to who is the 'client'. In our view it is principally the end user.

The review goes on to refer to the problems concerning contracts and that some of them are under-tendered. It had to let tenders and the price increase could have been around 20 per cent, but it turned out to be just under that. The potential savings that were projected were not of that order because they had to re-tender to keep the private sector involved in the contract. That is the sort of system the Leader of the House said we should be emulating!

The Minister for Education said that he would have a dual system for school cleaners to evaluate the private and government sector. I am not convinced there will be a great deal of evaluation in that process. The information I have is that school cleaning services in the remaining schools could be contracted out as early as February next year.

Hon N.F. Moore: It has not happened.

Hon JOHN HALDEN: If that is the case, it is not happening.

Hon N.F. Moore: I said it is not happening and I keep telling you that. You are using information that is out of date.

Hon JOHN HALDEN: The Minister should keep quiet for a minute. This was being put forward anyway. It was said there would be a dual system and a comparison would be made. One system would be introduced from September to December in a certain number of schools, and between February and June the second phase would start and an evaluation would be made. What a farce! That proposition was put forward by the Minister for Labour Relations, an officer of the Education Department, and an officer from the Minister's office. The Opposition is concerned that there will be no evaluation. The Government is basically setting up this system for political ends. If the Government wants to achieve this system in which it believes so emphatically, it must be able to justify it. At the moment no such justification is being offered. The way for the Government to shut me up and to appease the community is to provide rudimentary information about the benefits. We do not need to know the contract details, but we want to be able to monitor the situation. The Government has nothing to fear from this process; it is a simple solution to the problem.

Hon Kim Chance: We are asking the Government to show us what any good businessman would have to know before doing it anyway.

Hon JOHN HALDEN: Exactly. At the end of the day the Government will either win or lose the argument. This secrecy -

Hon N.F. Moore: There is no secrecy.

Hon JOHN HALDEN: It is secrecy when the Government asks the union to compete against the private sector but will not tell it what it is competing against or provide any costs. It is an unfair competitive arrangement. The general public is entitled to know the current cost, the tender prices, potential savings, actual savings and any changes in the quality of the service delivered. That is not unreasonable. The Government cannot continue with this process and complain about the Opposition criticising it, while it is

trying to have it both ways. Until the Government opens the process to basic scrutiny, the Opposition will keep harping about this issue. The Opposition does not believe in it to the same extent as the Government. I concede that there may be some benefits; one would be stupid not to. Any benefits should be taken advantage of. However, until the Government is open about this matter, it can expect me and the Opposition to keep hounding it because we do not believe the Government.

**HON N.F. MOORE** (Mining and Pastoral - Minister for Education) [3.01 pm]: I did not hear the initial comments of Hon John Halden, but I will respond to the final comments, which I did hear. As he and this House know, the Government had a report on school cleaning prepared by Arthur Andersen, which recommended that all school cleaning in Western Australia be contracted out. The anticipated savings were between \$6m and \$10m, depending upon how the savings were calculated across the government sector. I read the report and sent it to the department for it to assess whether those savings were achievable. Arthur Andersen provided an implementation strategy which was also made available to the department. I and other members of the Government looked at that strategy to see whether it was the way to go, bearing in mind that most other States have contract cleaning in their schools, including the Labor States. The savings are dramatic -

Hon John Halden interjected.

Hon N.F. MOORE: No-one knows that.

Hon John Halden: I have just tabled the information.

Hon N.F. MOORE: I will take the member's word for that. The Government considered whether it should proceed that way, and correspondence took place between me and the Minister for Labour Relations who has a great deal of expertise in cleaning schools and other public institutions. One document has been stolen from a file in the Education Department. Hon John Halden has a copy of that document; again, he is peddling stolen documents. The document refers to a proposition put forward for a partial contracting out of the system initially, and for further school cleaning to be contracted out after that. In other words, there would be two lots of contracting out over a period. This document is several weeks old.

Hon John Halden: It is dated 8 August.

Hon N.F. MOORE: Since then I have made a decision, which I announced to the public, that the Government will contract out the cleaning of 160 schools in the metropolitan area and it will go through the normal process of providing alternative opportunities for the staff involved. I remind the House that it involves 160 schools of a total of 770.

I have decided that gardening services will not be contracted out and the gardeners will remain on the day labour work force. However, it is intended to contract out some of the functions currently undertaken by the gardeners. The Government also said that it would consider the two cleaning systems operating side by side, in order to make a meaningful analysis of the capacity of the private sector to get the contracts -

Hon John Halden: What is the price?

Hon N.F. MOORE: The Arthur Andersen report indicated there would be significant savings from using the private sector, and the analysis from the Education Department is that the saving over 160 schools in the metropolitan area will be \$1.5m per annum. That will never be absolutely certain until the contracts are received. People are asked to contract for a job and they submit a price, and until that time one does not know the cost of that service. The assumption from the department is that \$1.5m can be saved. If the contracts indicated it would cost \$1.5m more, does Hon John Halden think the Government would go down that path?

Hon John Halden: God knows.

Hon N.F. MOORE: Of course the Government would not. The whole reason for this process is to ascertain whether the private sector can deliver the same or better quality cleaning for a lower price. If it can, the Government will see how it works in practice. It

will examine the two systems working side by side. At the same time, I hope that Helen Creed and her Miscellaneous Workers Union will enter into negotiations for an enterprise bargaining agreement for the day labour work force. Perhaps the efficiency of their operation can be improved to make them more competitive. I said to Helen Creed personally that if she could come up with a better system for the operation of the day labour work force, she should ring me at any time. She has not responded at all.

Hon John Halden: Because you will not provide her with information.

Hon N.F. MOORE: Helen Creed told me that it could be done better than it is done now and asked for a chance to tell me about it. I have received no call from her. I told her that my mind is completely open and I would listen to any suggestions she had. I want to ensure the quality of cleaning in our schools is as good as, or better than, it is currently and that it costs less. In South Australia, a Labor State, each cleaner is required to cover twice the area required of cleaners in Western Australia; that is, they must cover 450 square metres compared to 225 sq m in WA.

Hon John Halden: Just because it is a Labor Government it does not mean it is the greatest thing on earth.

Hon N.F. MOORE: I have not heard one complaint from any of the Ministers around Australia about the quality of cleaning in their State, whether the Government uses day labour or contract cleaning.

Hon John Halden: The Minister should go to Bunbury TAFE where contract cleaning has just been introduced. They hate it and think the quality is absolutely disgraceful.

Hon N.F. MOORE: If the quality is not good enough, we must get someone else to do the work. When people are awarded contracts they must perform. If they do not perform, they will lose the contract. They will be very stringent contracts. Does Hon John Halden recognise that many people working in the private cleaning industry vote for the Labor Party?

Hon John Halden: Of course.

Hon N.F. MOORE: The member is suggesting that they are less capable and competent than the cleaners employed by the Government. Somehow or other, he works on the basis that unless people are employed by the Government they cannot do a job as well as others can. Why does Hon John Halden have that attitude? It is because the people on the member's selection committee who work in the Miscellaneous Workers' Union et al, are telling the member what to say. This strange, ideological, philosophical line goes through the member's skull that everyone should work for the Government. That is his ideological hang-up. The member should put that aside and think about what is important in our schools. Schools exist to provide a place in which children may learn. We should spend every available cent on that aspect, and if we can save money on cleaning, gardening or anything else that is not the core business and put it into the core business of teaching, we would be derelict in our duty not to do so. Hon John Halden thinks money grows on trees. He thinks we should employ day labour irrespective of whether it costs \$15m more than the contract system and that we should spend \$8m on a TAFE centre in Bunbury because he thinks it is a good idea.

Hon Kim Chance: It is a good idea.

Hon N.F. MOORE: At whose expense?

Hon John Halden: From money from the Northbridge tunnel.

Hon N.F. MOORE: Members opposite have spent money from that tunnel 15 times; they spend it every time they open their mouth. Which TAFE college is missing out because of Bunbury?

Hon John Halden: Where is your economic competence? The Education budget gets bigger, doesn't it?

Hon N.F. MOORE: Yes, if we keep borrowing, as the Labor Party did when it was in government. Members opposite want to keep borrowing until we cannot afford the

repayments. Hon John Halden goes around the country side, probably with Hon John Cowdell, saying a Labor Government will allocate \$8m for a Bunbury TAFE college. He does not say from where that money will come.

Hon John Halden: You promised to do it two years ago. Where is the hypocrisy?

Hon N.F. MOORE: I am not a betting man but I bet he will promise \$8m here and \$12m there until, come the next election, he will have given away all the gains this State has made in the past two or three years in bringing our finances into some shape. Members opposite have no concept of money. They think it grows on trees and will pop out from the printing press. Members opposite do not know how to manage money. They think it belongs to some strange creature that provides it for them and they can just keep spending it.

Hon John Halden: From the taxpayers.

Hon N.F. MOORE: It does come from the taxpayers. Rather than putting up these silly motions it is about time Hon John Halden got smart. I bet that if his party were to get in again he would not reverse anything we do in government.

**HON GEORGE CASH** (North Metropolitan - Leader of the House) [3.12 pm]: This motion deals with the Auditor General's report No 9 dated November of this year, tabled in the House earlier this week. Following the Government's decision to move towards competitive tendering and contracting, the Auditor General decided that he should conduct some investigations into a number of contracts that have been let over a period. This report deals with four of those contracts. I take this opportunity of acknowledging that Hon Kim Chance did not condemn comments contained in this report. If anything, he recognised that savings had been made, although he raised the marginality concerning the hospital contract. However, I think that was discounted by Hon Max Evans, the Minister for Finance, who said a 1 per cent saving across state government expenditure would be worth \$60m - no-one would sneeze at that.

We discussed CTC contracting in this place last week. Western Australia is certainly not unique in contracting out to the private sector, services which were formerly performed by the public sector. We have always said that where a service is not necessarily a core service of government and an opportunity is available to obtain the same or a better service from the private sector, to avoid duplication, it should be contracted out. It is fair to say that Governments across Australia have recognised the importance of CTC - the contracting out of particular services. It is recognised by all Governments; I mentioned three last week. The Goss Government in Queensland, the Carr Government in New South Wales and the Keating Government in Canberra have followed a very strict course of contracting out for some time. In fact, soon after being elected, the Premier of New South Wales, Mr Carr, issued a directive from his office. In memorandum 95-36 called "Service Competition Policy" he said -

The Government is committed to pursuing the policy in order to deliver better value for money and better services.

We agree with that. We could not have written it better. In that memorandum he also states -

All Government agencies are to undertake market testing and contracting reviews as part of their formal business planning.

Again, we agree with that. We think it is important that CTC be used right across government, although there are some areas for which we would not consider CTC under any circumstances. The final paragraph of this memorandum states -

It is essential that processes be sound, particularly in relation to the rigour of analyses undertaken, timely consultation with staff, competitive neutrality and impartiality in tender processes and the application of well developed skills in specification development, contract negotiation and contract management.

If we could distil, not the financial analysis, but the general analysis of the Auditor General's report it would be fair to say that he generally agrees with that proposition.



Hon Kim Chance: And so does the Opposition. The report is excellent.

Hon GEORGE CASH: Hon Kim Chance did not criticise that side of the equation, so to speak. The Auditor General's figures are interesting. Four areas were examined. Stereoplotting Services contracted out by DOLA will make an annual savings of about \$119 000. The South Perth Ferry Service, \$48 000.

Hon A.J.G. MacTiernan: Does that include the sale of assets?

Hon GEORGE CASH: One of the problems with Hon Alannah MacTiernan is that she jumps in too soon. I will qualify these figures in a moment. We are not talking about net present value. The WA Quarantine Inspection Service is expected to make annual savings of about \$135 000. As a percentage of avoidable in-house costs that represented for Stereoplotting Services, 20 per cent; South Perth Ferry Service, 9 per cent; and the WAQIS, 13 per cent.

The Auditor General believed there was a need to add additional costs to the particular equation and then find a net present value determined over the prospective savings. He used the term of the contract as the period to which the net present value should be applied. On those areas, the average annual savings as a percentage of avoidable costs, reduces significantly. Stereoplotting Services reduces to 7 per cent; South Perth Ferry Service, 7.5 per cent; and the WAQIS, 9 per cent.

Hon A.J.G. MacTiernan: Overall what do they say in percentage?

Hon GEORGE CASH: I have just given Hon Alannah MacTiernan the figures.

Hon A.J.G. MacTiernan interjected.

Hon GEORGE CASH: Hon Alannah MacTiernan should read the report. If she wants financial advice she should talk to the Minister for Finance. I have a limited amount of time.

Hon A.J.G. MacTiernan: Tell the full story.

Hon GEORGE CASH: I will tell the full story as long as Hon Alannah MacTiernan reads and understands the report.

Hon A.J.G. MacTiernan: We have.

Hon GEORGE CASH: If she had, she would not be asking silly questions.

Hon A.J.G. MacTiernan: I want to make sure you do not quote selectively from the report.

Hon GEORGE CASH: One of the things that must be realised about the Auditor General's figures is that if a contract were for only three years and if all redundancy costs and losses on sale of equipment were applied to the limited period, the net present value would drop considerably. However, if a more realistic figure of, say, 12 years were used to amortise those redundancy costs and any other costs relating to assets, the net present value would increase dramatically. Although I do not dispute the figures used by the Auditor General, I believe he should have used a much longer period in which to amortise the various expenses he said should have been considered in arriving at the estimated savings. However, the good news is that at least savings are being made for the State and at least the services that are being performed will be equal - certainly in the case of the South Perth Ferry Service they will be much better. If members have been on those ferries recently they will have seen that a considerable amount of money has been spent on upgrading them.

The other day I talked about the CTC research conducted by the Graduate School of Business, which is part of the University of Sydney. I made the point that we offered a briefing by Professor Domberger to members of the Opposition. I wonder whether Hon Alannah MacTiernan will tell me whether she was able to attend that briefing and learn something about CTC and the savings made.

Hon A.J.G. MacTiernan: I was unable to.

Hon Kim Chance: She went to another briefing.

Hon GEORGE CASH: Hon Alannah MacTiernan claims to be an expert on everything, but when a briefing is offered to her, she does not make herself available. If she wants to be a specialist on the contract savings that have occurred in Western Australia, she should attend these briefings.

Hon A.J.G. MacTiernan: I have Professor Domberger's report, and have read it.

Hon GEORGE CASH: That is good, but it is a pity she does not understand it. There is a big difference between reading and understanding. She sure does not understand.

The PRESIDENT: Order! Hon Alannah MacTiernan can give us her views immediately following Hon Bob Thomas, who will be given the next call. After he speaks, she will get the call.

Hon A.J.G. MacTiernan: I was asked a question by the Minister and I thought it was polite to answer.

The PRESIDENT: Order! The member was not obliged to answer.

Hon A.J.G. MacTiernan: I thought it was polite to answer.

The PRESIDENT: Order! It is not; it is impolite.

Hon GEORGE CASH: If the member believed it was a question -

Hon A.J.G. MacTiernan: Mr President, perhaps the Minister should be reminded that he should not ask questions in the middle of his discourse.

Hon GEORGE CASH: I can assure the member that if I asked a question, I was mistaken and out of order. However, members can be assured that I was certainly not asking for advice.

Professor Domberger identified some savings. CTC research indicated that the general savings for the areas contracted out in Western Australia in 1994 were 20 per cent and in 1995 it will be about 24.1 per cent. That is common to other States across Australia. In 1993 and 1994 the savings in New South Wales were 20 per cent; in Victoria in 1995 savings amounted to 37 per cent; and in 1995 the Commonwealth achieved savings of 18.1 per cent.

There are significant savings to be made. I am surprised the Opposition continues to run the line that the public sector should provide all the services notwithstanding the fact that money can be saved by contracting out and providing a better service for the community. The Opposition continues to run with its line of reasoning.

**HON BOB THOMAS** (South West) [3.22 pm]: The concept of competitive tendering and contracting out comes from the principle of contestability for all the services and jobs within the Public Service. It is supposed to produce an outcome which delivers those services at a lower cost, without compromising quality. That outcome is laudable. However, I have serious reservations about whether the competitive tendering and contracting policy of the coalition is working. Basically the Government has reduced all government areas to cost centres, adopted the lowest common denominator approach and said that all those areas will be viewed with the idea of profit and loss being the bottom line. Those opposite have looked at one outcome - lower costs - but have ignored a whole range of other outcomes that are required from our public sector services.

Nowhere is this compromise more prevalent than in country towns. I will give two or three examples of how the competitive tendering and contracting policy of this Government is not working. Country towns are different from the metropolitan area. They are smaller, closed communities and much more dependent on the private sector services than is the metropolitan area for contributions to their economy.

My first example is the contract for private lawn mowing in the Albany-Manjimup area. About six months ago the Government decided to contract out lawn mowing in the south west. Four sites in the Manjimup townscape were contracted out: East Manjimup Primary School, Manjimup Primary School, Manjimup Senior High School and Perrup Road Preprimary Centre. Another half a dozen sites in the Albany area were to be contracted

out. For now I will concentrate on those at Manjimup. A company from Bunbury was awarded the contract. Supposedly it could deliver the service cheaper and provide the same quality of service. I have had numerous approaches from people in the Manjimup area since that contract was let about the quality of the work done by that contractor. Parents have told me that the aesthetic value of their school -

Hon N.F. Moore: Have you told the Education Department?

Hon BOB THOMAS: Yes, I have. I have written at length to Greg Black about this issue because it is important to me. The parents are saying that the aesthetic value of their school has been lowered by this contractor. I have looked at the sites involved. The parents said that the contractor was not mowing some areas that he was required to under the contract. He was using a ride-on mower in areas which should have been hand mown. He was damaging spoon drains because he was driving the ride-on mower into areas where he should have used a hand mower. Some areas of the school ovals were not cut properly. There were large windrow gaps where the blades of the mower were not overlapping so rings appeared where the mower was not cutting the lawns.

Hon P.R. Lightfoot: This contract will not be renewed.

Hon BOB THOMAS: He has terminated the contract because he was not able to deliver the service at the price that he contracted. The problem was that the school gardener was not able to go to the oval and mark out the lines for the school athletic carnival. These are the problems we have with something as simple as school lawn mowing.

Another example relates to the contract that has been let just recently to Deloitte Touche Tohmatsu to examine the feasibility of contracting out school psychology services. The Education Department, and I assume the Minister, have said that these services are not core services and therefore should be contracted out. The school psychologists in Albany called in all the local members of Parliament recently and put forward their point of view on this issue. Many of us are concerned about the prospect of this happening because it will be very difficult to find psychologists in country towns such as Albany.

Hon N.F. Moore: Do you think we would contract out if we had people to do the job? Why do you think cleaning in the country is not going ahead?

Hon BOB THOMAS: I will come to that in a moment. The Education Department is looking at contracting out these psychology services. It will be very difficult to source these psychologists from country areas. If we are not able to do that, the price will be much higher.

Hon N.F. Moore: Then you would not do it.

Hon BOB THOMAS: The psychologists have shown that, including oncosts, it costs \$35 an hour to provide these services in-house. The minimum that would be paid for an education psychologist, if one could be found, is \$136 an hour for clinical time or \$90 an hour if that person had to travel from Albany to Katanning.

Hon N.F. Moore: Then they would not do it.

Hon BOB THOMAS: The Minister has had his turn to speak.

Hon N.F. Moore: I am just telling you that it is a silly thing to say.

Hon Tom Helm: Just be quiet.

Hon BOB THOMAS: This is of grave concern to many of us because school psychologists are an essential part of the school teachers' support services within the education system. The teachers are not qualified to deal with many of the problems these kids have. Yet, this Government is looking at contracting out education psychology services.

I raise another example of contracting out within hospitals which is causing a lot of concern within country areas. Following the Arthur Andersen report which was debated in this place two weeks ago, the Government has decided that it will contract out non-core services within country hospitals; that is, building, engineering and maintenance

services, gardening, cleaning and the work of the orderlies. Staff in the country hospitals are afraid for their jobs. They are worried about job security. As a result, they have approached their members of Parliament to discover exactly what is happening because the Government is not telling them what is happening. Last week the staff at Manjimup Hospital called in their local member, Paul Omodei, to talk to them about the issue. They wanted to know what the effect would be on the hospital and what would happen to their job security. Paul Omodei said, "I don't know. I haven't got a clue what will happen to your hospital. I don't know what the effect on your job security will be, but we had better implement the scheme quickly."

The Government does not know where this madcap scheme is going or how it will affect country towns. The Government simply wants to implement it quickly.

[Motion lapsed, pursuant to Standing Order No 72.]

## WORKPLACE AGREEMENTS AMENDMENT BILL

### *Introduction and First Reading*

Bill introduced, on motion by Hon A.J.G. MacTiernan, and read a first time.

### *Second Reading*

HON A.J.G. MacTIERNAN (East Metropolitan) [3.30 pm]: I move -

That the Bill be now read a second time.

The Bill amends the Workplace Agreements Act in order to allow a proper, systematic analysis of changes in wages, conditions and productivity which may have resulted from the legislation. Since 1993, employers and employees in Western Australia have been able to enter into individual or collective contracts under the Workplace Agreements Act. The agreements take employees out of awards which would otherwise cover them and outside the jurisdiction of the Western Australian Industrial Relations Commission. The terms of the contracts are limited only by very basic minimums set out in the Minimum Conditions of Employment Act. This alternative stream is the system that the Federal Opposition has endorsed as a model for all Australians. The shadow Minister, Peter Reith, has said that the new industrial relations stream has been popular and has delivered positive outcomes. However, where is the evidence to support that optimism?

On the basis of scores of individual workplace agreements it has analysed, particularly in the service, hospitality and retail sectors, Labor claims that wages have been driven down and conditions substantially eroded. The Government claims, on the basis of its anecdotal evidence, mainly in the mining sector, that workers have never had it so good. Sadly, it is impossible to go beyond the anecdotal to a systematic analysis of the effects of workplace agreements. The Commissioner for Workplace Agreements is prohibited from allowing anyone to inspect the documents in his registry. Those secrecy provisions, or as the Government prefers to call them "confidentiality provisions", have prevented any reliable research of that important and controversial development. That stands in stark contrast to enterprise agreements registered with state and federal Industrial Relations Commissions, where every detail of the arrangements are public and a bevy of university researchers regularly pick over the data to detect trends in wages, conditions and productivity.

For example, John Buchanan, the Deputy Director of the Australian Centre for Industrial Relations Research and Training, has undertaken a detailed study of such enterprise agreements and he found that while there were nominally high wage outcomes, they were underpinned by genuine improvements in productivity. His research showed there were other radical offsets, particularly in hours of work with agreements providing for increases in the span of working hours, rationalisation of penalties and a move to annualised hours. However, in Western Australia there is no reliable way of testing whether those positive outcomes are replicated under the workplace agreements model. In fact, there is not even any meaningful information on the number of people on workplace agreements. The Minister for Labour Relations claims that 35 000 people, or approximately 4.5 per cent of the Western Australian work force, are on those contracts.

However, those monthly statistics are cumulative and include anyone who has ever signed a workplace agreement even if the person has long since left that employment, and it double counts anyone who has renewed or varied his agreement. The Chamber of Commerce and Industry of Western Australia sponsored research which showed that 32 out of 34 employers using workplace agreements who responded to a survey were happy with the system and reported that ordinary hourly pay rates as opposed to wages had increased. Given the size of the sample and the method of self-selection, that research is hardly credible. Even the academic undertaking that research acknowledged it is difficult to produce reliable and credible results without access to the material held by the commission.

The Bill provides the Government with a challenge to test its claims about the positive effects of workplace agreements. Under the Bill, academic researchers from recognised universities would be allowed access to workplace agreements data. They would be prohibited from using the material for any purpose other than research, or from revealing any material which would identify the parties to the agreement. In that way, the confidentiality of the parties to the agreement - which the Government claims is its primary concern - is not compromised. The community will have the benefit of rigorous and objective assessment of where workplace agreements have taken Western Australian workers. It is essential that we know what these tools of economic reform are actually producing. It is extraordinary that someone would introduce what has been described as representing the most significant and fundamental reform of the Western Australian industrial relations system and then impose an information ban to stop people ascertaining that result. The legislation is a very modest exemption from the confidentiality, or secrecy, provisions and it will ensure that we are fully aware of what is going on in the labour market in Western Australia. I commend the Bill to the House.

Debate adjourned, on motion by Hon Muriel Patterson.

### **JOINT STANDING COMMITTEE ON DELEGATED LEGISLATION**

#### *16th Report on Subordinate Legislation Framework in Western Australia Tabling*

Hon Bruce Donaldson presented the sixteenth report of the Joint Standing Committee on Delegated Legislation in relation to the subordinate legislation framework in Western Australia, and on his motion it was resolved -

That the report do lie upon the Table and be printed.

[See paper No 891.]

### **ORDERS OF THE DAY - FOREST MANAGEMENT AMENDMENT REGULATIONS 1995, DISCHARGED FROM NOTICE PAPER**

On motion by Hon B.K. Donaldson, resolved -

That Order of the Day No 3 be discharged from the Notice Paper.

### **ORDERS OF THE DAY - RADIATION SAFETY (GENERAL) AMENDMENT REGULATIONS (No 3) 1995, DISCHARGED FROM NOTICE PAPER**

On motion by Hon Tom Helm, resolved -

That Order of the Day No 5 be discharged from the Notice Paper.

### **LOCAL GOVERNMENT BILL**

#### *Second Reading*

Resumed from 22 November

**HON GRAHAM EDWARDS** (North Metropolitan) [3.40 pm]: When I was a young bloke my mother used to listen to a show called "Blue Hills" written by Gwen Meredith.

Hon M.D. Nixon: I was in it.

Hon GRAHAM EDWARDS: I feel that I am in it also. I started my speech last night, but I was interrupted by other matters. I now return to my speech, but I will soon be interrupted when the billy boils.

Hon George Cash: And question time.

Hon GRAHAM EDWARDS: And question time. "Blue Hills" was a very good show. Such light-hearted comments in no way reflect the seriousness of the Bill, which, I reiterate, the Opposition strongly supports. I am keen to hear Hon Bruce Donaldson's speech. I do not say that flippantly, because he has great knowledge of the Bill and obviously has much experience in local government in this State. It is quite refreshing to be involved in a debate in which there is a bipartisan approach and opposition members can influence members opposite and persuade them to take our point of view.

The truth or otherwise of much of what the Minister claimed in the second reading speech will not become evident until the Bill is established in law, in principle and in practice. It is only through practice that the claims will become evident. The second reading speech states -

Local governments will be able to make local laws, which is called the legislative function, and provides such services - the executive function - as they consider appropriate to provide for the good government of local people. It will give them greater freedom to respond to the needs of their local community.

No doubt, that will give local authorities the ability to respond to the local community. Of course, it takes over from their power to make by-laws relevant to their own local authorities. But within what bounds will local government be able to make local laws? What will be in place to ensure that there is continuity between local laws? For instance, how will it impact on parking laws around the State? Some consequential Acts will be amended later - it might not be until next year that they are brought before this place.

One matter in which I have great interest is parking for people with disabilities. Some local authorities have responded well to this need, but of course not all local authorities enforce as well as they could laws relating to parking for people with disabilities.

*Sitting suspended from 3.45 to 4.00 pm*

[Questions without notice taken.]

Hon GRAHAM EDWARDS: We need to deal with this Bill at length during Committee, rather than in the second reading stage. It is some time since I have had a good look at the Local Government Act, and it will be a refreshing opportunity as we go through the Committee debate to become better acquainted with the new Bill and therefore better refreshed as to the technicalities of the workings of local government.

I was talking earlier about the ability of local government to make local laws and one of my references was to parking for people with disabilities. The abuse of parking for people with disabilities causes a tremendous aggravation within the disabled community, and with able-bodied people who from time to time see people rorting the system. It would appear that a great deal could be done to resolve this aggravation if local governments would police their laws in this area. I do not have the figures with me; however, a couple of years ago I wrote to about 30 major local authorities in this State and sought some advice on the number of infringement notices that had been issued in the course of a 12 month period for offences in this area. I was staggered to learn that a number of local authorities do not police these laws at all. One of the most active and effective local authorities was the City of Fremantle, which is very tough on people who abuse this by-law. I was appalled that the City of Wanneroo, which is the largest local authority in the State, does not police this by-law at all, and other local authorities seem to vary in their rate of enforcement. If we give local authorities the opportunity and the ability to make these laws we should also ensure that they are responsible in their enforcement of them, particularly when they impact on people who are disadvantaged with things like parking and shopping generally.

The Minister states in his second reading speech -

Further, to ensure that local laws remain relevant and consistent with changing community attitudes, a local government must review a local law within each eight years of its commencement, and this process will include consultation with the public to determine whether the law should be amended, repealed or continued in its present form.

When the Minister replies, will he outline how the review process will work in practice? Members will be aware that there is a sundown or five year clause - call it what you will - in most of our legislation these days. That means that the legislation must be reviewed. It is quite easy to understand how that is done in the State Government, but I wonder how that will be done in local government, particularly when local government will have to consult the community.

When the community is consulted, particularly at local government level, the advice is very conflicting. Sometimes the wisdom of Solomon is required to resolve those issues. We could be creating an unnecessarily difficult process for local government. If councillors are doing their job, they will not need formal consultation with their ratepayers because they will be aware of their ratepayers' attitude and they will be able to factor that into a review when it hits the council table.

I am concerned about local government involvement in commercial enterprises. The Minister will have the power in regulations to specify certain undertakings or transactions which will require ministerial approval. All that seems to add up to creating major difficulties for councillors. They will be required to employ expertise and they may become more entrenched in bureaucracy than they need to be. They may have to spend more time on the intrusions which may arise because of ministerial involvement. We are creating a situation where there will have to be more consultation with community groups at one end and more intrusion at the other end by the Minister. I wonder how that will impact on local government. I am not saying that we should be tabling amendments at this stage, but we will have to consider regulations closely when they come before this House. I hate to use the phrase "suck it and see", but the Bill will have to be allowed to work for some time. It will contain wrinkles. We will have to give it some time to operate and we will have to give local government time to shake it out so that we can understand the extent of the difficulties which may be sleeping - as Hon Alannah MacTiernan put it - in the Bill. That is not a criticism because it is not appropriate for me to be critical of that situation. However, I forecast that we will have to monitor the legislation, and particularly the way in which it works in practice in local government.

As the Minister said in his second reading speech, the Bill will allow local government to be involved in commercial enterprises. The ALP considered that point and many people argued strongly for it. I support the provision, but it is important that there should be sufficient checks and balances to ensure that people with an entrepreneurial bent at elected council level or officer level are checked so that they cannot become too entrepreneurial beyond providing involvement in commercial enterprises which complements other business activities in their local government area, or which fills gaps where enterprise is not currently operating. We could argue that local government might establish local enterprises and then move out of them as they become stronger. Private enterprise would then be able to pick them up.

In his second reading speech, the Minister said that there would be a change from the current arrangement with local government elections being held every two years with half the councillors retiring instead of every year for one-third of councillors. That is a very good move. Local government has suffered from the instability which occurs following elections when the numbers and the political character of councils change. I do not say that necessarily from a party political point of view. I am referring more to the numbers in the councils. It must be extremely frustrating for good local government officers to work on a three or five year plan, perhaps in relation to recreation or planning, only to have the guidelines for those plans changed simply because the numbers on their council change every year.

Hon E.J. Charlton: That is why it is important for us to win the next election.

Hon GRAHAM EDWARDS: In some cases, change is not always bad. I believe that there will be a change at the next election and that will be for the better. When that occurs, we will be happy to let this legislation run. We will then be able to review it. There will be greater stability with half the councillors going every two years. That process can also work in reverse. If the numbers produce a bad bunch of blokes, things can become unstable. However, I guess that if the problems are extreme, the Minister can step in.

The other important change which will assist matters is that the chief executive officer will no longer have to be the returning officer. Sometimes, local government CEOs have found themselves in the firing line, particularly when they try to run an election independently. Because they are close to councillors or aspiring councillors, they are often under a great deal of pressure and placed in a fairly unenviable position as they are caught in the pressures which, from time to time, go hand in hand with local elections. The ability to have an independent person will be seen to be good and will be good in fact.

On page 17, the Minister states that greater accountability and information flow to electors will be achieved by making council and committee meetings open to the public. I am very sorry that Hon George Cash is away on parliamentary business because, as I reminded Mr George Strickland yesterday, I moved for this to occur in the City of Stirling in 1982. Among the forces of darkness and evil that helped defeat me were Hon George Cash and Mr George Strickland. I am pleased to see that people such as Hon Bruce Donaldson have been able to use their influence to change the attitude of people such as Hon George Cash and Mr Strickland.

This is a good move. I said that in 1982 and I was rolled in the City of Stirling. People said that it would not work. It will work and it is a good move. It will lead to the opening up of council business. I know it is happening in some councils and I think as a result councils are more responsible in the way that they deal with issues. If councils operate behind closed doors often they do not have to be as responsible as they would when they are publicly accountable. It is amazing the number of people who are able to change their mind between a closed door committee meeting and an open council meeting, where people can see how councillors have voted. This is a good move and one -

Hon E.J. Charlton: Do you think it has any downsides?

Hon GRAHAM EDWARDS: If making councillors more accountable in that sense is a downside, perhaps that is one downside. Some councillors used to say to people, "I put this up for you but it was knocked back at committee level and I cannot help you." Obviously that was just a ploy and the proposal was never put or they voted against it. The downside can be that sometimes things that do not deserve to be publicly aired can be so aired. Generally there is still provision for committees to go into closed session. It is important that that opportunity remain, because there are appropriate circumstances in which that can occur. In his second reading speech, the Minister indicated that there are times when councils need to go into closed session.

One of the other important points in relation to this issue was raised on page 23 of the Minister's second reading speech, where he states that some parts of the current Act are to remain in operation until further legislation reviews lead to their replacement. He pointed out that these parts include building control, street matters, private swimming pools and cattle matters. As I said earlier, we will have to consider these consequential changes and regulations as they become available. However, I would like the Minister to explain what is meant by "cattle matters".

I wish to raise the issue of pecuniary interests. I remember debating pecuniary interest declarations for members of Parliament in this place some years ago. At that time the proposition was rejected by the then Opposition and now Government. Hon John Williams at that time said that we did not need pecuniary interest provisions at a State



Government level but at a local government level because that is where corruption is most likely to occur. I suppose it is true that at a local government level one can be much more influential in terms of planning matters and other matters that can have a positive financial impact on people. It is important that we have good pecuniary interest laws. However, it does not matter how good the laws are at the local government level, it really comes back to the credibility and honesty of individual councillors. There are ways around pecuniary interest laws. One can declare an interest in a planning matter relating to, say, a local delicatessen, but one can fairly easily arrange for mates to influence the decision. People having to declare their interests exactly as we do at a State Government level will be a good change. I understand that some local authorities already have such provisions. Like every other level of government, local government - perhaps more than other levels - not only needs to do the right thing but it must be seen to do the right thing.

I now wish to refer to weekly meeting fees and annual meeting fees. I assume that that is one and the same thing. If it is not, then a person would either opt for a weekly meeting fee or an annual meeting fee. If I am wrong about that I would like the Minister to correct me. When I was with the City of Stirling council on a weekly basis we were given a carton of cigarettes and a box of chocolates for our wife. People now take a pretty dim view of that sort of arrangement. They would certainly take a dim view of people being given cigarettes. However, we do need to make provision for councillors to receive a meeting fee that covers their costs. There are many costs at local government level if the councillor is doing his or her job and councillors never get into a situation to recover them. Of course, many councillors do not go on to the council to cover their costs. However, it is important that, where there is a meeting fee, it be flexible enough to meet the needs of councillors. I understand that councils will decide how much that meeting fee will be, and it could vary from council to council.

No councillor can be elected to a council and do a good job without the support of his or her family, particularly his or her spouse. The arrangement at the City of Stirling - of providing a box of chocolates to recognise the fact that sometimes one gets into trouble for spending a little too much time away from home on council business - is a good principle and a good practice. If an arrangement of that sort does not continue in one way, it should continue in another. Local government cannot function without the strong support of the councillors' families. I support the Bill and look forward to the Committee stage.

**HON B.K. DONALDSON** (Agricultural) [4.58 pm]: I, too, support this Bill. I feel very pleased and privileged to be part of this process. I am sure that my colleagues who have been in local government would feel likewise, because it is a very important milestone in local government history. Local government has served this State for over 100 years in a very positive way and it has helped develop Western Australia as we know it today. It has played a very important role, it is playing a very important role and it will continue to play a very important role.

I had a discussion with Hon Graham Edwards before today's debate and said to him that I planned to support some of the comments that he made. First, he hyperventilated and after that had ceased he went scurrying to see what he had actually said. He felt that this was a bit like the kiss of death. I hope that he does not mind my repeating this, but he said that he was glad that he was not up for preselection because he would be doomed. I support Hon Graham Edwards' comments about local government being efficient. It is stated in the second reading speech that the legislation will create efficiency in local government. The honourable member said local government has been an efficient deliverer of services for the local communities. I would rather the words "enhance the efficiency" were used in the general competency powers of this Bill. Local government has been an effective deliverer of essential community needs and services across Western Australia, both metropolitan and country.

Hon Graham Edwards also spoke about collective support, although he did not use those precise words. It has been a collective effort with bipartisan support. The principles and issues paper was first delivered around Western Australia in 1987. I well remember travelling on 23 days in a four week period with Dr Michael Wood, the executive director

of WAMA Mr Tim Shanahan, Mr Ted Chown, plus officers of the Department of Local Government, to attend public and local government seminars at which the principles and issues that may be applied in a new Local Government Bill were discussed. It has been a long process, but it must be remembered that this Bill affects 200 other Acts in Western Australia. It is the largest Statute in this State and, if this extensive consultative process had not been undertaken with a bipartisan approach, it would have been difficult for a Bill of this magnitude to complete its passage through this Parliament in less than six months. That is the time scale required by the other legislation. It has been a collective effort from all sides and I am sure the Government is pleased at the bipartisan approach and the commitment given by this House and by the Leader of the Opposition in another place, Jim McGinty, that the Bill will be supported.

I also agree with Hon Graham Edwards that the Bill should be enacted as soon as possible. The Minister and the Government have indicated that after the legislation has been bedded down for 18 months they will review its operation. I am sure all members acknowledge the need to massage those provisions which may prove to be unworkable. However, until this Bill is enacted it may not be possible to find the right answers, even at the Committee stage. Provisions that may appear to be good at the moment, may need amending at a later stage. Hon Graham Edwards raised an important point and I am sure the Minister agrees with him.

The Minister and the Government must be congratulated for pursuing this commitment to introduce the Local Government Bill into Parliament during their first term. It is pleasing that this has been achieved at the end of the Government's third year in office, but that was possible only because of the collective effort. The Department of Local Government, ministry officers and local government authorities have had tremendous input. Someone said the other day that because local government is so happy with the Bill, there must be something wrong with it and local government must have been given too much. I do not think that is the case. The second reading speech indicated that 163 submissions were received on this Bill, and it was the focus of 11 seminars and a public forum. Overall 688 written submissions were received and 45 seminars were held. In addition, there has been input collectively, through the WA Municipal Association, from country shires, country-urban shires, the Local Government Association and the Institute of Municipal Management. I remember the countless hours spent negotiating around conference tables. This process also included previous Government Ministers. I have said before that Hon David Smith would like to have introduced this Bill into the Parliament during the latter stage of his term in office. However, I recognise the political considerations in the lead up to an election. The then Government supported some controversial principles which may not have met with success; for example, compulsory voting. At that time Cabinet had different priorities in its legislative program. It is a huge drafting task and Parliamentary Counsel must be complimented on his effort in producing this Bill.

Hon Graham Edwards: Also, it was not a good time to introduce the Bill just before an election, because an irresponsible Opposition could -

Hon B.K. DONALDSON: I am not being critical, but I know it was the keen desire of the then Minister to introduce that Bill. However, bearing in mind that it took 16 years for the Caravan Parks and Camping Grounds Bill to be introduced, eight years in the making for this Local Government Bill is a speedy process by comparison. A number of amendments were made to the Bill in another place and some may be necessary in this place. I hope not too many are moved because I agree with Hon Graham Edwards that unless it is a major amendment, it would be better at this stage to enact the legislation, have the regulations promulgated and put the legislation into operation by 1 July 1996.

I was pleased to go with Hon Alannah MacTiernan, Michelle Roberts and Mike Board to a seminar at the IMM conference at the Radisson Observation City Hotel. There was a panel session on the Local Government Bill which was facilitated by Peter Newman. There was discussion about accountability provisions and the IMM stated that -

The government provides for a significant level of accountability within the new

Act. Whilst many Ministerial approvals have been deleted that process has been replaced by a local consultative mechanism.

The State Government whilst empowering Councils with broader "general competence" has also sought to ensure appropriate checks and balances in the system. Examples of such accountability measures include:-

- Statewide public notice
- Provision and availability of more Council documentation
- Meetings open to the public
- Question time at Council meetings
- Greater disclosure of pecuniary interest matters

The conference also commended the Bill for including forward plans, contracts for senior staff, annual performance reviews for all staff and annual reports. It supported the general competence powers. Its only concern was about the general parenthood statements. An example of this is contained in clause 3.1(3) - I am sure this was not deliberate on the part of the Government -

A liberal approach is to be taken to the construction of the scope of the general function of a local government.

Hon Graham Edwards: We did not mind that, but your coalition colleagues were upset about it.

Hon E.J. Charlton: Only because we think you should take a more national view!

Hon B.K. DONALDSON: Clause 3.21(1)(a)(ii) states that in performing its executive functions, a local government, so far as is reasonable and practicable, is to ensure that as little harm or inconvenience is caused and as little damage is done as is possible.

Hon E.J. Charlton: What does that mean?

Hon B.K. DONALDSON: I do not know. The IMM said general wording such as "without delay", "significantly different", "reasonable", "reasonable opportunity" and "generally" is included in the Bill. The word "parenthood" is used.

Hon Kim Chance: "Motherhood" is out.

Hon B.K. DONALDSON: I cannot use the word "motherhood"; the chief executive officers have correctly made that clear. Those are areas which may need examining, although I am not recommending they should be amended at this stage. I think they are what Hon Graham Edwards was referring to when down the track some of that more general parenthood terminology probably must be keenly addressed. At present, local government must seek ministerial approval in about 150 areas. This Bill will reduce them to about 30. That is significant. To seek ministerial approval on so many issues has been something of a hindrance to local government. I am sure the Minister at times would have wondered why he was being plagued with those silly decisions. The general feeling throughout local government is that most of those decisions should be made locally.

Amendments continued to stack up as the new Local Government Bill was being discussed. However, there was not much sense in repeatedly amending an Act that was to be changed.

Hon E.J. Charlton: Hon Alannah MacTiernan seemed to be a bit concerned about the number of ministerial referrals.

Hon B.K. DONALDSON: Yes. She has alerted the House to the fact that in Committee she wants to discuss appeals to be referred to the Minister.

Hon Graham Edwards: She is concerned less with the fact that the Minister has been taken out of many of the approval functions but more with the nature of the involvement he can now have in some of the appeal areas. It may prove to be of no concern, but an intrusive Minister will be a bit more of an open gate in some respects.

Hon B.K. DONALDSON: In contrast to the specific powers provided under the current

Act to local government, we all know that general powers to make laws and provide services and facilities will take their place. The Bill provides in these powers, commonly referred to as general competence powers, a legislative basis for accountability requirements. Actions of local government will be reported in annual reports. Sanctions for standards of practices not being maintained are encapsulated within the Bill. Parts of the Bill allow for the reform agenda. This relates to enhanced efficiencies. Local government has been striving to achieve an examination of its practices, the way it delivers services and how it can best get value for its dollars.

These days communities are more inquiring and as costs rise across the board in a number of areas, local government costs are increasing. Only one avenue of finance is available to local councils; that is, financial assistance grants or rating power and the recovery of rates. Local government is a strange creature in many ways. It is one of the few organisations of which I know where expenditure requirements are first established then grants or other income received is allocated and the balance is made up by striking a rate in the dollar. If rate increases are too great, councils go back to base one and prune the expenditure to what they believe the rates will be.

Hon Graham Edwards: That is where the numbers come into effect!

Hon B.K. DONALDSON: The accounting practices of councils are unique. Private businesses assess their income and then decide what they will spend. Local government considers what it will spend and then adjusts it accordingly with the rates. The ability to have differential rates, which local government has been seeking for a long time, was one of the most important breakthroughs by way of an amendment passed by this Parliament a while ago. It was agreed to on a bipartisan basis.

Local government may have felt it was exempt from the Hilmer report, but of course it is not. The issues of contestability and best practice must be faced. In line with government policy a number of councils are joining forces to apply to Main Roads for many of the roadworks contracts.

Hon J.A. Cowdell: It had better not be like Eric's freeway.

Hon E.J. Charlton: Yes, only local government will do it better, I hope.

Hon Graham Edwards: I heard there was to be a reshuffle -

The DEPUTY PRESIDENT (Hon Barry House): Order! Hon Graham Edwards has had about six goes at his second reading. That is enough.

Hon B.K. DONALDSON: He probably thought he was due to start again soon because he has been stopping and starting for days. I can understand his confusion.

Hon Kim Chance: He needs to take a phone call as a result of his preselection as a result of something you said -

Hon B.K. DONALDSON: It is well-known that local government spends more than \$1b a year. Savings of 1 per cent, which is about \$10m in one fell swoop, can be made. We cannot legislate for efficiency or integrity or even accountability. That is a code of conduct and part of best management practice. This legislation will provide councils and council staff with some ability to better themselves rather than be bogged down. It will create an opportunity for work and skills development. I imagine some very smart people will become involved in local government from outside. It is not always a bad thing to bring about an infusion of new ideas. I am not being critical of the present administration staff in local government; they do a tremendous job. They seek career opportunities. Contracts of between one and five years will allow an opportunity for officers to move on. People tend to become trapped in local authorities and find it difficult to move. They become comfortable and decide they do not want to leave. I do not know whether that is always in the best interests of councils.

I am sure that some of the welcome changes will be in local laws. Hon Graham Edwards also mentioned that. The Bill provides for a review of local laws every eight years. That is important, because that review will include the relevant regulations. As a Government we should carefully consider the register. Governments have been considering that in

principle for some time. Although local government will be expected to carry out that periodic review, in the long term it may not be a bad idea for we as parliamentarians to review some of the regulations during that time.

Hon J.A. Cowdell interjected.

Hon B.K. DONALDSON: Cancellation of the tea break would create a productivity gain; I am sure the Salaries and Allowances Tribunal will take that into consideration!

Hon Graham Edwards: How do you see the consultation part of that review taking place?

Hon B.K. DONALDSON: The community must be consulted. The review must be advertised in the local newspaper and public notice provided statewide on at least two days. Submissions about the local law must be made no fewer than 12 weeks after notice is given. There will be community input about whether those local laws should be reviewed after the process has operated for eight years. These local laws can apply outside the district of a local government authority only with the approval of the Minister. Therefore, they will be confined to local areas. I have asked the question, which was discussed during the drafting of the Bill, about the scrutiny by the Parliament of the local laws. I have been assured that it comes under section 42 of the Interpretation Act. There will be checks and balances.

The Joint Standing Committee on Delegated Legislation will look very closely at the by-laws in gearing up for the change. The standing orders give the committee that power. A number of local government authorities have asked whether assistance will be given to them when framing these local laws. The Department of Local Government assists with the model by-laws which the local authorities then adopt to suit their specific needs. They can amend them to accommodate their area. The Department of Local Government will give a lot of assistance when these local laws are being promulgated. Hon Graham Edwards raised the question of continuity. We do not want a system where 142 different local laws cover the local authorities. That has not been a problem under the present arrangements. I am sure the local laws will be very close to the model by-laws.

Hon J.A. Cowdell: We could then have a local option again.

Hon B.K. DONALDSON: Firstly, the local laws cannot affect other laws of the State. Secondly, the Bill has the power to limit those local laws. The local laws will occur by way of regulation which can be amended. That, in itself, will in some way address some of the concerns that have been raised. I am sure that in his summing up the Minister will spell that out much better than I can.

I have always been a proponent of four by two elections. It gives people an opportunity to be more involved in local government. Members of the general public are pretty sick of elections. When a state or federal election and a local government election are held at about the same time, the local government election has very little meaning. It may have some importance in small country local authorities where there is not a large population because the candidates in those places are pretty well known. However, in the City of Stirling or the City of Wanneroo where there are 35 000 electors in a ward, it is very difficult for candidates to have a high profile when putting themselves forward for election. The voters often wonder who the candidates are and do not turn up to vote.

I know this represents an argument for compulsory voting, but that is not the policy of this Government. In 1989 I attended a public seminar at Winthrop conducted by the University of Western Australia. The hall was packed, although only a handful of people from local government were in attendance. I was astounded by the number of people at the meeting who spoke against compulsory voting. It was quite a shock to the Minister of the day that a large public gathering did not support that concept.

As I am not in local government now I can tell members this story. I raised the issue of compulsory voting around the executive table. I suggested that we should not dismiss compulsory voting and that it should be investigated. My colleagues told me to shut up because local government right across the State, in both country and metropolitan areas,

had said that there was no way compulsory voting would be entertained. I was advised to drop those words from my vocabulary because my colleagues could see that the concept had the potential to start a riot!

Hon J.A. Cowdell: We might not be able to afford the postal voting in another 17 months.

Hon B.K. DONALDSON: I have not come to that yet. Postal voting is an option for councils. They can choose whether to go to postal voting or to retain the present system. This Bill removes all restrictions of early, absentee or postal voting at an election. There are to be no restrictions, such as giving reasons for not voting, as is the present requirement. Under the new legislation all restrictions are removed. It is up to the local councils to make that decision. A local authority in a rural area with a small population will probably still run the election. I am sure the new formula to count votes and the process of electing candidates will make the job much easier and faster for the returning officer. However, the councils of the City of Wanneroo, City of Stirling or City of Melville, may not want to change. On a volume count, the price of postal voting would be less in those large councils. A small council would face a horrific cost if it had to request the Electoral Commissioner to run the election. It is more likely that the returning officer will be the chief executive officer of the council. This option is available, but councils do not have to use it. I do not see it as a potential problem. By imposing restrictions, we are not giving local authorities autonomy to make such decision.

Hon J.A. Cowdell: Is there no local autonomy in compulsory voting?

Hon B.K. DONALDSON: No.

The issue of two votes per property was the subject of vigorous discussion with George Strickland in the coalition parliamentary local government and finance committee, of which I was very pleased to be a member. We worked through the issue during the drafting of the Bill. The first draft Bill had provision for only one vote per property; however, that was changed after a number of lengthy submissions had been received from local government authorities. It is a welcome change.

The policy about non-Australian citizens voting has raised a lot of comment. During Committee it will probably invoke much more. As members are aware, under the present electoral arrangements non-Australians do not get a vote in a state or federal election. Fortunately, the transitional arrangements will allow that to occur by the year 2005.

Hon M.D. Nixon: It is only if they change their address.

Hon B.K. DONALDSON: It applies if people move outside their local authority boundaries. If they change their address within the boundary, they can still vote. As a principle I do not have a problem with only citizens voting because we already have that at state and federal level. I like to think that if people are to live in a country, they will seek to become citizens of it. This was raised during the early part of the discussions on principles and issues, and in chapter papers some years ago. It invoked a lot of comment but the overwhelming feeling at public meetings and in local government at the time was that people preferred to see that aspect lined up with what happens at state and federal levels. I hope that this may encourage people to consider taking up Australian citizenship, because it is important and we should be encouraging it.

Hon Graham Edwards: Many people do swear their allegiance to Australia, and more people are doing so.

Hon B.K. DONALDSON: I have no real problem with the provision. We are protecting the people on the register at the moment, because if they do not move outside their own local government boundaries they can keep voting.

The point about the first past the post voting was interesting. The draft we had was slightly different, but on reflection the change has been welcome. With the multi-member vacancies that exist, as members will know a person can pick up a few primary votes under the exhaustive preferential system and end up being an elected member.

Hon J.A. Cowdell interjected.

Hon B.K. DONALDSON: We looked at all the options. After the first shock to local government and people interested in the Local Government Bill, they raised their hands and said, "What will happen?" The comments that are being passed to me now by people in local government, and certainly from the Institute of Municipal Management, indicate they have accepted those changes.

Hon J.A. Cowdell: Do you realise that you have given us the old Senate system which existed prior to 1948?

Hon B.K. DONALDSON: I do not know what the system was prior to 1948. I do not think I was born then, or perhaps I was just a toddler! The provision will stop the current practice of candidates being elected who have a low primary vote.

Hon Graham Edwards: It gets rid of those sleepers, as described by the newspapers.

Hon B.K. DONALDSON: We all know it is being done. People make sure of the number of members they want or whom they want on the ballot paper, and then they look at the number of candidates and how many sleepers they need. If they have too many it can backfire. It is a very fine line, and people have to be very good at it. Some people are very good at it.

Hon J.A. Cowdell: That sort of politics is not known to us.

Hon B.K. DONALDSON: I do not know much about it. That is what I have been told and what I have read.

A residing member has now an ordinary and a casting vote. There has been some confusion. Mayors are either elected by the people or the council, and of course all presidents are elected by councils, except the President of the Shire of Carnarvon, who is still elected by the people.

The issue of the contracts of CEOs and senior employees was raised. This is a wonderful opportunity to enhance the administration by allowing contracts for people who may be employed in the short term as perhaps an engineer for three years, maybe to draw up the forward plans for local government requirements in the way of engineering for roads, bridges or whatever. Contracts have been supported by the IMM, I suppose, and they have been supported pretty well by local government.

Councils have an option with fees for council members. Councils can either pay members on a sessional basis or set an annual fee, which will be within a prescribed range set by regulations. I have been at many conferences where the issue of payment for councillors has been raised. True to form we all said that we did not want to be paid. I think that day has gone, especially for councillors in metropolitan councils who spend a great deal of time working. Hon Alannah MacTiernan said that something like 30 or 40 hours a week was spent working for local government. I am sure that Hon Graham Edwards and Hon George Cash, who were members of the City of Stirling, would have put many hours into that work. No-one will get rich on the fees, but at least they might offset some of the costs to councillors. They will never be fully reimbursed. People might miss out on the chocolates and the beer these days, but maybe the fees will enable them to take home to their spouses a box of chocolates or flowers and cover their base that way.

Another issue was reserve accounts. As members will be aware, at present people tuck money away into a building reserve account, a machinery reserve account or whatever. It is a hell of a job to get the money out and change its intent, and times do change. At least now there will be a two year period in which local government will be able to reallocate those reserves. If after that councils want to change the intent of a reserve they will need to indicate it in their budget or publish a public notice in local papers and leave it there for one month. There is also provision for emergencies. Members may recall some of the bushfire disasters of Ash Wednesday in 1986. In a couple of cases the mayor or president and chief executive officer had to make a few decisions to allocate quite a large sum of money. I think in one council the decisions involved the deputy president. They

took a risk because if the council had not endorsed the action they had taken they would have had to pay the bill. They had a fund which could have been used for that type of emergency, but they did not want to set up some sort of reserve, because it would be locked away. We do not want to see that. We want to see some flexibility and the ability in the case of an emergency to move that money around. That is very important.

Another issue which has been a long time coming is that at the moment councils cannot add a penalty to their rates until after 31 January. Local government is saying, "If people pay up front, why should they carry those people who do not pay?" That is a fair and reasonable question. We have the positive step of other options now; for example, Water Authority bills are allowed to be paid quarterly. There is also flexibility for people in financial difficulties, for concessions, and also for discounts. Some councils offer between 5 per cent and 10 per cent discount on their rates. Local government and the previous Government had got around to agreeing to allow to charging after three months from the date of service of the rates. I can remember a number of meetings held to try and work out the best possible mechanism without crucifying people. There should be some equality. If people pay up front why should they carry those who do not contribute at the right time? This is a very positive move.

The debate on commercial enterprises has been very vigorous over the years. I do not think anybody wants to see local government move into areas where it can develop \$2 shelf companies. This Bill probably has more checks and balances than the previous one. That is important. It will not stop councils being involved in aged care and many of the other services in which they have been involved for a long time. I do not know whether that is illegal; it does not matter. I welcome those changes.

Originally from the Government's point of view the advisory board was a little loaded. I am not saying that that would have been a draft, but that it was heading that way. I am pleased to see the composition of that advisory board. One member will be nominated by the Minister. Two experienced councillors - I am not sure what "experienced councillor" means - will be selected by the Minister from a list supplied by the Western Australian Municipal Association. I am sure the structure of WAMA will ensure that there will be one from the country and one from the metropolitan area.

Hon Graham Edwards: Not if George Strickland gets his way.

Hon B.K. DONALDSON: I will leave that comment completely alone. The board will include also one experienced chief executive officer of local government, nominated by the Minister from a list supplied by the Institute of Municipal Management, and an officer of the Department of Local Government nominated by the Minister. The advisory board will be responsible for considering and inquiring into all proposals for constitutional change, including those relating to district or ward boundaries or changes to council numbers. The councillor numbers are a minimum of 6 and a maximum of 15. The three councils concerned at present are, I think, Fremantle, Stirling and Wanneroo. That was another positive step.

A number of country local authorities are having difficulty getting the necessary number of councillors because the population has decreased. The number they require should be considered seriously. It was the emphasis of the previous Government on the population base only that caused towns and country areas to be split up to get the right number for local government. This Bill and the government principles within it address the difficulties being faced. I add my support for this Bill.

**HON CHERYL DAVENPORT** (South Metropolitan) [5.43 pm]: I do not profess to have the experience and knowledge in local government of some of the speakers who have preceded me. This is important legislation, given that it contains some 500 clauses. As a representative of a region as large as South Metropolitan Region, which has some nine local government areas, two of which are the biggest in the State, it is important that one has something to say. As others have said, this legislation has had a long gestation period, and a long period of consultation within the community and with local government and organisations that are the umbrella groups for local government, such as the Western Australian Municipal Association and the Local Government Association of



WA. Like many other members, I have received a letter from Professor Martyn Webb, who I always thought was a conservative person and a supporter of the Government. He obviously thinks that there has not been a long enough consultation period on this Bill. It gives me some comfort that if he has such concerns about it, we must at least be on the way to finding the right course. In his letter he says that this Bill stands as nothing more than a dog Act for people, which seems to indicate that he is less than happy with it. He goes on to say that this is no exaggeration; it may be judged from the work of the local government structural reform advisory committee, which apparently has already drawn up a new map of local government in Western Australia which reduces the number of country shires from 80 to 25, made up mainly of either the two or three existing shires. Furthermore, he says, the Bill proposes to give greater executive power to unelected council employees; for example, the delegation of power to officers for which employees of the City of Perth Council already covers 106 pages. Considering that letter and his attempt at a draft Bill, which is set out over four or five pages, and comparing it with the amount of work that has gone into the drafting of this legislation, the Government is well on the way to achieving a good outcome.

I will concentrate my remarks on various sections of the Minister's second reading speech. As Hon Graham Edwards suggested in his speech, the major part of debate on this Bill will occur in Committee. It is very complex and members will have a number of questions to raise. My first question relates to the submission of the Government that the current prescriptive legislation gives way to legislation that will provide a broad framework for the operations of local governments. The second reading speech states that this will bring significant benefits in the efficiency and effectiveness of local governments and improved management structures. That is a broad statement. As we work our way through the clauses we will become far more enlightened on how the Government proposes that will occur. My question is: How will that occur?

The second reading speech refers also to the length of consultation. Most other members have referred to that, as I have already. Hon Bruce Donaldson touched on the number of areas in which local governments must seek approval from the Minister to be reduced from 150 to approximately 30. For what things will approval no longer be required? What are some of those 30 issues that will remain for local governments to receive approval from the Minister?

The other matter that has been mentioned to some extent is general competence powers. Given that I do not have a background in local government, I should like to know whether that matter is defined in the legislation. The second reading speech states that it is the Government's expectation that local governments must seize the initiative for structural reform to increase efficiency and ensure value for money for ratepayers and residents. What structural reform is envisaged? Is it to be concentrated in the economic realm, or will we see some reform in local government concentration on social development issues? It has always been my view that local governments tend to become bogged down in the economic side of things, which is obviously relevant, but local government in my region does not concentrate as much as it might on social development.

Over the past two years I have been a member of a bipartisan committee in the City of Canning. It has been trying, through the local government authority, to set up a special purpose youth facility. The local government authority applied to the Commonwealth Government for a youth officer to conduct outreach services. Its funding has been increased and it now has two officers, one of whom is concentrating on Willetton. Willetton is a mortgage belt suburb which has been in operation for 10 years now. Unfortunately, the infrastructure in that area has never kept pace with the growth in home ownership. Young people are reaching their teenage years but there is nothing other than organised sporting events for them in the area. Transport is a problem. There is no cross-suburb transport. Kids cannot get to Fremantle, and it is difficult for them to go to Cannington. They are left with the problem of having to travel to and from the city. I would be pleased if structural reform meant that local government authorities had to put more emphasis not only on economic development but also on linking economic and

social development. The committee that I mentioned has involved many local organisations and service delivery agencies, including the police.

During the second weekend of the previous school holidays, Brentwood police had to arrest 10 to 12 kids aged 13 to 15 who were breaking and entering, largely because of alcohol abuse. The major problem in that area is that there is nothing for them to do. They cannot organise their own activities. Not every kid of that age wants to be involved in team sports. Local government must become more involved. I refer to Canning Council in particular, but other councils in my region have acknowledged the problem and have done much to make sure that that section of the community is serviced. We must be positive about the move to structural reform. Local government must ensure value for money for ratepayers and residents. Such services should not necessarily be funded through local government. Funding can be cobbled together from other sources, but ratepayers and residents will certainly get value for money from such services. Local authorities are quick to complain about kids cutting up rough, but they are not happy to provide the necessary infrastructure.

The second reading speech also refers to the number and size of local governments. The Government projects that there will be expenditure of \$1m a year through the local government industry. The Bill should include ways of rationalising the size and population of local government areas. As has been mentioned, Wanneroo is the biggest Western Australian local government area in population terms. It probably accounts for about two federal electorates, which now contain about 70 000 people. That is a very big local government area. Although Peppermint Grove shire is very rich, it is probably not very big in terms of population or size. We have probably missed an opportunity to rationalise the size of local government areas. With such rationalisation, we could have reduced the amount of money spent on administration and the cost of local government services. We missed that opportunity.

Hon E.J. Charlton: Would Hon Cheryl Davenport like to see something more specific about amalgamations?

Hon CHERYL DAVENPORT: I would. I know that that is accompanied by difficulty. Obviously, local government was consulted, but we have probably missed an opportunity. I wonder how long it will be before such an opportunity arises again. The legislation has been in place for many years, and it is amended constantly. As members know, with all its amendments, the Local Government Act is a large document. However, rationalisation was obviously considered in some early consultation processes, but it has been put to one side perhaps because it is too hard.

Hon E.J. Charlton: It has not been put to one side. There has been an attempt to change the culture of local government so that it wants to do things itself rather than be forced to do them.

Hon CHERYL DAVENPORT: I hope that the matter will be looked at before too long.

[Leave granted for speech to be continued.]

Debate adjourned, on motion by Hon Tom Helm.

#### ADJOURNMENT OF THE HOUSE - ORDINARY

HON E.J. CHARLTON (Agricultural - Minister for Transport) [6.00 pm]: I move -  
That the House do now adjourn.

*Adjournment Debate - Joint Standing Committee on Delegated Legislation, "The Subordinate Legislation Framework in Western Australia" Report*

HON TOM HELM (Mining and Pastoral) [6.01 pm]: I draw members' attention to the report which was tabled this afternoon from the Joint Standing Committee on Delegated Legislation titled "The Subordinate Legislation Framework in Western Australia". I ask the House to recognise the work that was put into this report by the committee clerk, Jan Paniperis, and the advisory and research officer, Stuart Kay. Members do not often have

the opportunity to praise the staff of the committees of this House. In this instance I must do so because the report includes the draft of a Bill which the committee hopes to introduce into this House. This Bill will help us to become better members of Parliament. The chairman of the committee, Hon Bruce Donaldson, and I recognise that it would not have been possible to come up with this Bill if it had not been for the work put into it by Stuart Kay.

The House must be aware that the Delegated Legislation Committee had problems with the continuity of its work and that is alluded to on page 18, paragraph 3.14 of the report. The report states that because of the high turnover of research officers there has been difficulty in continuing the work the committee was appointed to do by this House. However, Stuart Kay was very quickly able to pick up on the type of work that the committee is obliged to undertake. Stuart Kay would not have been able to do his job as well as he has and there would have been no continuity if it had not been for the assistance of the Clerk of this House, Laurie Marquet. It is important to recognise that the committee would not be able to do the job on behalf of this House unless Laurie Marquet provided that continuity and Stuart Kay put in the work of effectively servicing the committee.

In the past not enough attention has been paid to the importance of the role of research officers appointed to standing and select committees. I understand that there was a time when the Delegated Legislation Committee's research officer was approached by organisations outside the Parliament to work for them. I understand that some remuneration package has been arranged and that it is to the research officer's satisfaction. It is important to acknowledge that as the committee's work becomes more detailed and complicated it will rely more upon the expertise of the research officer.

*Adjournment Debate - Maritime Union of Australia, Ship Crew Dispute*

Hon TOM HELM: In his usual unprovoked and unsubstantiated attack on the trade union movement the Minister for Transport said in question time today that the Maritime Union of Australia is not working the ship owned by Clunies Ross which services the Christmas and Cocos Islands because it has a crew of only six and the MUA wants it to have a crew of 18. I advise him that even crews on ships like to take leave. Every ship has a double crew complement. The six existing crew will inevitably take leave and someone will have to man the ship and I suggest that that is the basis of the MUA's argument.

I advise the House of the report of the ships of shame. I am referring to the foreign flagships which come into Australian waters and take cargos out of Australia to overseas destinations; that is, if they do not sink. Do members remember the *Kirki*? The Government does not care about the condition of the ships which come into Australian waters to pick up Australian cargos. It is not worried about the wages the crews get or the state of the ships. The MUA is at the forefront of enforcing standards which other countries do not want to be bothered with. The MUA and the Opposition want properly constructed ships with sufficient crew to take cargo away from Australian ports. I am not saying the ships should have Australian crews, but they should be safe and the crew should receive wages that are comparable with the wages we expect in this nation. Everyone who puts forward that point of view is entitled to be supported and not be attacked by someone who comes into coward's castle and makes unsubstantiated comments.

The Minister for Transport spoke about Warren Snowden negotiating packages with people on Christmas and Cocos Islands and he did that without one skerrick of evidence. He decided to undermine a union which has been instrumental in waterfront reform.

Several members interjected.

Hon TOM HELM: I suggest to members opposite that they repeat what they said to the unions.

Regardless of the arguments that the Australian crews have with their employer, the ships are safe and they are crewed correctly. They are saying that they should be Australian

ships crewed by Australian seamen. Without evidence to support his claims the Minister should not come into coward's castle, where the people he is attacking do not have the right of reply, and say that the merchant seamen are traitors. They are the people who carry the cargo and are instrumental in modernising the ports despite the fact that no ship owner or stevedoring company wants to reinvest their capital in the port. The Government does not care where the stevedoring or shipping companies are based or where the money they earn goes. They are not interested in reinvestment or that the machinery on the wharf is prewar.

Several members interjected.

Hon TOM HELM: When the Minister comes into this place with evidence to support what he is saying, we will listen to him. He takes every opportunity of attacking all the unions.

Several members interjected.

The DEPUTY PRESIDENT (Hon Barry House): Order! I ask members to cease interjecting.

Hon TOM HELM: The Government cries crocodile tears when it talks about not bringing in enterprise bargaining because it wants to do what is best for the workers. It does not care about the good things that unions can do. Government members come into this place without one bit of evidence and say that the unions behave like traitors.

*Adjournment Debate - Wittenoom, Demolition Contract*

HON MARK NEVILL (Mining and Pastoral) [6.09 pm]: I draw to the attention of this House some of the developments associated with the demolition contract at Wittenoom. Today the Deputy Premier said on radio that the contractors will remove all contaminated material from government sites. I was informed today that the contractors will be removing the cement slabs which were once the base of houses at Wittenoom. Asbestos which is tied up in cement slabs is of no risk to anyone. It is quite safe, and is the same as asbestos cement sheeting. It is a problem only when the asbestos is loose and airborne. The contractors will break up the slabs and take them away but if there is loose asbestos under the slabs, the contractors will not clean that up. They will not clean up the contaminated driveways. It would be better to leave the slabs where they are if it is not intended to clean up the loose asbestos. Also, it would be better to clean the contaminated driveways than to remove the slabs.

The Government has let a contract to a company to conduct airborne asbestos fibre monitoring during the demolition work. That is a sensible proposal. However, every day the results of this monitoring will be posted around the town. The only way that monitoring can be done is by using optical microscopes which can detect only the big fibres, and not the smaller fibres that will be spread during the demolition of these pads, the hotel, the hospital and the police station, which are made of asbestos cement blocks.

Hon P.R. Lightfoot: Is it only a specific length that causes mesothelioma?

Hon MARK NEVILL: The very small fibres are not thought to add to the risk at all, but the optical microscope cannot detect fibres of that length. An electron microscope should be used. The people in Wittenoom will be covered with airborne asbestos fibres, and they will be told of the results of the monitoring after the damage has been done. It is not an effective way of dealing with the situation. The Government should evacuate the people from the town if it intends to demolish those buildings, because that demolition will result in a much increased risk from airborne fibres.

In addition, trucks will be used to take away the material and bury it. Those trucks will travel over the town streets, which are already in a state of disrepair through lack of maintenance. The town streets will be further damaged, and that will add to the hazard. A hole is being dug at the end of the north-south airstrip at Wittenoom in which to bury the material. The material previously taken to that area was buried on the eastern end of the east-west airstrip. I cannot understand why this material will not be buried at the eastern end, and why the material removed in 1982 will not be properly buried. At that

time it was buried in an old Main Roads gravel pit and covered. It was not properly disposed of. The contractor should dispose of any waste material in that area and secure the existing dump.

A number of aged pensioners live in Wittenoom and there is no way they can move quickly from the area to avoid these airborne fibres. People in the town will be exposed to the fibres before anyone knows of it, and there will be no record of the smaller fibres because they cannot be detected under an optical microscope. In my view, this is a highly irresponsible action by the Government. The results of the monitoring will be meaningless and the damage will be done before the demolition work is completed. Driving trucks over these streets, which have already deteriorated because of lack of maintenance, will generate even more airborne asbestos fibres. This whole process will unnecessarily add to the existing risk at Wittenoom. There is no significant risk to health at present in Wittenoom, but the demolition of asbestos cement buildings will vastly increase the level of airborne asbestos fibres in the town. There is no way the demolition material from those buildings can be kept wet. The material must be blasted or knocked down, and that will generate fibres.

Instead of demolishing those buildings, the Government should clean up the tailings which cover the ground in 30 per cent of the town. The contractors will be housed in the Gordon Oxer Community Centre, which is also to be demolished. The yard in that centre was cleaned up 10 years ago; it is not contaminated and the building is in a good state of repair. If it is good enough for the contractors to stay in that hall, why not leave it so that it can be used by the people of Wittenoom? It was given to them by the mining company and they have contributed to the maintenance of it.

The Government's actions are irresponsible, and the Deputy Premier's comment on the radio today that the contractors will remove all contaminated material from government sites is contrary to what the contractors are saying in Wittenoom and the people of Wittenoom have relayed to me. The Deputy Premier should clear the air and indicate exactly what he means by "we will clear all contaminated material from government sites". That should include any material on the driveways and on the ground. When the Government removes those slabs it will be a waste of taxpayers' money if it does not also remove the loose material underneath them. The Government does not propose to remove the loose tailings which cover 30 per cent of the ground area in Wittenoom, although these are the main risk to health, and disturbing the present buildings and slabs will increase the level of risk in the town.

Question put and passed.

*House adjourned at 6.17 pm*

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**QUESTIONS ON NOTICE**

**HOMESWEST - CARDS, NUMBERS ISSUED; COST**

2902. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Housing:

- (1) How many new Homeswest cards have been issued?
- (2) When were the last Homeswest cards issued?
- (3) What is the total cost of issuing new Homeswest cards?
- (4) Will the Minister provide a breakdown of the cost involved?

Hon MAX EVANS replied:

The Minister for Housing has provided the following reply -

- (1) As at 21 September 1995, a total of 60 646 Homeswest customers have been issued with a Homeswest card.
- (2) Cards are issued on a daily basis, as new clients receive Homeswest assistance.
- (3) Cost per card is 63¢.
- (4) This figure includes producing and embossing each card, printing an introductory letter, enveloping the card, letter and accompanying brochure and delivering this to the mailing house for distribution.

**FISHERIES DEPARTMENT - ELECTRONIC LISTENING DEVICES;  
ELECTRONIC TRACKING DEVICES**

3621. Hon MARK NEVILL to the Minister for Transport representing the Minister for Fisheries:

- (1) On how many occasions is the management of the Fisheries Department aware of fisheries officers having used discrete electronic listening devices?
- (2) Has the management of the Fisheries Department, past and present, ever condoned the use of discrete electronic listening devices and electronic tracking devices?

Hon E.J. CHARLTON replied:

The Minister for Fisheries has provided the following response -

- (1) The Fisheries Department is aware of allegations in respect of fisheries officers using discrete electronic listening devices. The Fisheries Department cannot determine how many different alleged instances these allegations refer to.
- (2) No in respect of discrete electronic listening devices. Yes in respect of electronic tracking devices.

**FISHERIES DEPARTMENT - FISHERIES OFFICERS  
*Entering Suspects Homes on Questionable Circumstances***

3622. Hon MARK NEVILL to the Minister for Transport representing the Minister for Fisheries:

- (1) On how many occasions is the management of the Fisheries Department aware of fisheries officers having entered suspects homes on questionable circumstances since 1 January 1990?
- (2) What were the questionable circumstances?

Hon E.J. CHARLTON replied:

The Minister for Fisheries has provided the following reply -

- (1)-(2) The department is aware of two occasions since January 1990 where fisheries officers have entered suspects' homes without the knowledge or consent of the owner/occupier. The events in question occurred during the term of the previous Government.

**FISHERIES DEPARTMENT - ELECTRONIC LISTENING DEVICES,  
ELECTRONIC TRACKING DEVICES**

**3623. Hon MARK NEVILL** to the Minister for Transport representing the Minister for Fisheries:

- (1) Has the management of the Fisheries Department ever approved the purchasing of -  
 (a) discrete electronic listening devices; and/or  
 (b) electronic tracking devices?
- (2) Has the Fisheries Department or fisheries officers ever had in the possession the equipment listed in (a) and (b) above?

Hon E.J. CHARLTON replied:

The Minister for Fisheries has provided the following reply -

- (1) (a) No.  
 (b) Yes.
- (2) (a) The Fisheries Department has never owned discrete electronic devices or approved its officers having possession or use of such equipment in the course of their duties.  
 (b) Yes.

**FISHERIES DEPARTMENT - ELECTRONIC LISTENING DEVICES,  
ELECTRONIC TRACKING DEVICES**

**3624. Hon MARK NEVILL** to the Minister for Transport representing the Minister for Fisheries:

- (1) Who owned or provided the discrete electronic listening devices and electronic tracking devices used in the past by fisheries officers?
- (2) What section of the Fisheries Act gives authority to fisheries officers to use -  
 (a) discrete electronic listening devices; and/or  
 (b) electronic tracking devices?
- (2) Does the Fish Resources Management Act provide authority to fisheries officers to use the equipment listed in (a) and (b) above?

Hon E.J. CHARLTON replied:

The Minister for Fisheries has provided the following reply -

- (1) In respect of listening devices, see answer (2)(a) to question 3623. In respect of tracking devices, it is understood that such equipment was obtained from the police prior to the department purchasing its own tracking device in about 1992.
- (2)-(3) The use of listening devices is controlled by the Listening Devices Act 1978. In respect of tracking devices, there is no Statute or authority which disallows the use of electronic tracking devices.

**FISHERIES DEPARTMENT - FISHERIES OFFICERS  
*Unlawful Conduct***

**3625. Hon MARK NEVILL** to the Minister for Transport representing the Minister for Fisheries:

Has the management of the Fisheries Department ever condoned any unlawful

conduct by fisheries officers when conducting investigations into possible breaches of the Fisheries Act?

Hon E.J. CHARLTON replied:

The Minister for Fisheries has provided the following reply -

I am advised that the management of the Fisheries Department has not condoned and does not condone unlawful conduct by fisheries officers when conducting investigations into possible breaches of the Fisheries Act.

**POLICE - FISHERIES OFFICERS, ALLEGED UNLAWFUL CONDUCT  
INQUIRIES, REPORTS TABLING**

3628. Hon MARK NEVILL to the Minister for Transport representing the Minister for Fisheries:

- (1) Will the Minister for Fisheries have tabled in the Legislative Council a report from the Commissioner of Police to the Fisheries Department dated 14 January 1994 in respect of alleged illegal conduct by fisheries officers?
- (2) Will the Minister have tabled in the Legislative Council the Director of Public Prosecution's report into the findings of the Police Department's investigations into claims of unlawful conduct by fisheries officers referred to in (1) above?

Hon E.J. CHARLTON replied:

The Minister for Fisheries has provided the following reply -

- (1) Yes.
- (2) To my knowledge, neither my office nor the Fisheries Department has had access to or received a report from the Director of Public Prosecutions concerning the Police Department findings into claims of unlawful conduct by fisheries officers.

**HOMESWEST - LOCKYER REDEVELOPMENT PROJECT  
*Public Art Expenditure***

4053. Hon BOB THOMAS to the Minister for Finance representing the Minister for Housing:

- (1) How much does Homeswest expect to spend on public art in Lockyer over the life of the Lockyer redevelopment project?
- (2) Will this money be spent on small projects each year or can it be aggregated on one large project?

Hon MAX EVANS replied:

The Minister for Housing's response to question 4053 is -

- (1) Cost is yet to be determined. When the consultant completes here contract, further consideration will be given.
- (2) To be determined.

**WESTRAIL - LOCOMOTIVES  
*A Class Stored at Forrestfield, Sale***

4066. Hon BOB THOMAS to the Minister for Transport:

- (1) Further to question on notice 1336 of 2 May 1995, regarding A class locomotives stored at Forrestfield, will the Minister advise whether these locomotives have now been sold?
- (2) Who were they sold to?
- (3) What was the sale price?



Hon E.J. CHARLTON replied:

- (1) The locomotives have not been sold.
- (2)-(3) Not applicable.

**WESTRAIL - SCANIA COACHES**

4067. Hon BOB THOMAS to the Minister for Transport:

- (1) Further to part (3) of question on notice 3361 of 22 August 1995, will the Minister advise whether the Scania coaches were built to Westrail specifications?
- (2) Which windscreen company is contracted to repair damage to windscreen seals on the Scania coaches?
- (3) For the past three months how many times have coaches' windscreen seals been repaired?
- (4) What was the total amount paid to this company for this type of service in 1994-95?

Hon E.J. CHARLTON replied:

- (1) Yes. The Scania road coaches were built to Westrail specifications.
- (2) Windscreens O'Brien.
- (3) Four.
- (4) The seals were repaired under warranty at no cost to Westrail.

**WESTRAIL - MIDLAND WORKSHOPS**

*Lease of Space, Negotiations with Private Companies*

4069. Hon BOB THOMAS to the Minister for Transport:

- (1) Is Westrail negotiating with any private transport organisations for the lease of space within Midland Workshops?
- (2) Which groups are they negotiating with?

Hon E.J. CHARLTON replied:

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

**WESTRAIL - PROTECTION DEVICE FOR JK CLASS RAIL TANKERS  
CONTRACT**

4070. Hon BOB THOMAS to the Minister for Transport:

- (1) Further to question on notice 3271 of 22 August 1995, will the Minister advise which firm was this contract awarded to?
- (2) How many rail vehicles will be fitted with this device?
- (3) What is the anticipated cost of each device when installed?

Hon E.J. CHARLTON replied:

- (1) Forwes Technologies Pty Ltd.
- (2)-(3) A decision has been taken not to proceed with fitting the device to rail tankers. An alternative solution of installing fail-safe equipment to prevent product spillage is being pursued by Alcoa of Australia Ltd at its loading and unloading points.

**WESTRAIL - PARK 'N' RIDE FACILITY, MURDOCH  
Bollards Installation**

4071. Hon BOB THOMAS to the Minister for Transport:

- (1) Further to question on notice 3292 of 22 August 1995, will the Minister

advise whether the original design for the park 'n' ride facility at Murdoch included bollards?

- (2) If yes, how would they operate?
- (3) If no, why were they not fitted?
- (4) Is it planned to eventually install the bollards?

Hon E.J. CHARLTON replied:

- (1) The anti-car theft security bollard system is not design dependent. It can be implemented at any time in any new or existing car park and requires no special considerations in designing a car park.
- (2) A contractor would install base fittings for the bollards at defined parking bays and rent out the actual portable bollard to the park 'n' ride users who wished to avail themselves of this protection against car theft. The users would keep the portable bollard in their car and fix it to the base fitting at any available appropriate parking bay.
- (3) Not applicable.
- (4) While the bollard system is a useful antitheft device, it does not prevent vandalism. A security parking system is presently being trialled at a number of train stations. If proven successful, consideration will be given to extending it to the Murdoch park 'n' ride facility.

**WESTRAIL - LEYLAND PANTHER OMNIBUS, PURCHASER**

4075. Hon BOB THOMAS to the Minister for Transport:

- (1) Further to question on notice 3332 of 22 August 1995, will the Minister advise who was the purchaser of the Leyland Panther Omnibus?
- (2) Was this unit damaged or in poor working order?

Hon E.J. CHARLTON replied:

- (1) Olean Pty Ltd.
- (2) The bus (#982) was licensed in 1974. The bus was sold on an "as is, where is, and where it now stands" basis. It is the sole responsibility of the purchaser to inspect the bus. Records of buses that are offered for tender are available for inspection by potential purchasers on request.

**WESTRAIL - CURRAMBINE STATION CAR PARK, EXCLUDED FROM  
SECURE CAR PARKING PLAN**

4077. Hon BOB THOMAS to the Minister for Transport:

Further to question on notice 3298 of 22 August 1995, will the Minister advise why the Currumbine station car park was not included in the secure car parking plan?

Hon E.J. CHARLTON replied:

A trial of secured car parking is being introduced at six railway stations, selected from those incurring the highest incidence of car theft and damage. If the trial is successful, consideration will be given to providing secured car parking facilities at other locations, including Currumbine.

**WESTRAIL - WAGIN, LOCOMOTIVE OR WAGON SERVICING FACILITY  
PROPOSAL**

4078. Hon BOB THOMAS to the Minister for Transport:

- (1) Is it proposed to build a locomotive and/or wagon servicing facility at Wagin?
- (2) If yes, when will this occur?

Hon E.J. CHARLTON replied:

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

#### LAND TENURE - NORTH GREENBUSHES, SECURITY GUARANTEE

4083. Hon J.A. SCOTT to the Minister for Lands:

Do the people of North Greenbushes have a guarantee from the State Government for security of their tenure?

Hon GEORGE CASH replied:

I am unsure as to the exact nature of the question; if the honourable member will provide more detail I will be happy to provide a response.

### QUESTIONS WITHOUT NOTICE

#### BHP - BEENUP MINERAL SANDS PROJECT

999. Hon GRAHAM EDWARDS to the Minister for Mines:

- (1) Will the Minister advise the House what plans BHP has to expand its area of operation at its Beenup site?
- (2) Will he make available by next Tuesday relevant maps clearly showing the area to be expanded and its proximity to the Scott River national park?
- (3) Does the Government propose to allow mining in that park?
- (4) How will the expanded mining activities impact on the Scott and Blackwood Rivers and Molloy Island?

Hon GEORGE CASH replied:

I thank the member for some notice of this question. In the short time available to me - about 15 minutes - I have not been able to assemble the information. However, the member will be pleased to know that the matter has already been referred to the relevant department and I hope to have those maps and the other information available on Tuesday.

#### SHIPS AND SHIPPING - COCOS AND CHRISTMAS ISLANDS SERVICE, WORK STOPPAGE BY MARITIME UNION OF AUSTRALIA

1000. Hon P.H. LOCKYER to the Minister for Transport:

- (1) Is it a fact that the shipping service to Christmas and Cocos Islands has once again been delayed at the Port of Fremantle?
- (2) If yes, what steps is the Government taking to resolve the situation?

Hon E.J. CHARLTON replied:

- (1)-(2) I understand that today the ship chartered to do the run between Cocos and Christmas Islands arrived in Fremantle at approximately eight o'clock this morning. The Maritime Union of Australia has refused to work the ship. Last time the ship was in port it was held up for seven days which resulted in a \$40 000 loss in operations. It appears there is more to this than meets the eye. I was given advice a few minutes ago that it seems the MUA and the Federal Government might be in collusion over this action. It appears the Federal Government wants to see the demise of the Clunies Ross operation. I understand that Warren Snowden visited Cocos and Christmas Islands and entered into discussions about the provision of a \$100 000 assistance package to operate out of Darwin. If that eventuates it will result in a \$50m to \$55m loss to business in Western Australia.

The other part of the equation is that the MUA's excuse for not working

the ship is that the six crew operating on the ship should be increased to 18 Australian crew. In effect, it wants the crew increased from six to nine, but under Australian standards there must be a crew of nine on and nine off, which means 18 crew must be employed. This ship received approval from the Federal Government for a single voyage permit to operate. As a consequence, it is an illegal stoppage.

This Government is encouraging the Clunies Ross family to take legal action against the MUA.

Hon A.J.G. MacTiernan: Are you funding that action?

Hon E.J. CHARLTON: No, but I would love to. If ever there was an injustice done, this is it. The mob opposite sit in this place and give great support to the demise of a \$55m export business. They sat there and aided and abetted what was going on before and said that the people from the Cocos and Christmas Islands were being victimised by the State Government and that the children on those islands were starving. The bunch of hypocrites on the Fremantle wharf are holding up a properly and legally constituted shipping service which has been approved by the Federal Government.

Hon P.R. Lightfoot: They are a bunch of traitors.

Hon E.J. CHARLTON: Members opposite support the action that is taking place. I have taken action to urge the Federal Government to come clean about this. If it grants a single voyage permit to an operator to operate, he should be allowed to do so.

#### **BUILDING MANAGEMENT AUTHORITY - WARWICK PRIMARY SCHOOL DEMOLITION WORK; CONTRACTS, DOCUMENTS TABLING**

1001. Hon A.J.G. MacTIERNAN to the Minister representing the Minister for Works:

In question without notice 986 the Minister was asked to table the guidelines which were used by the Building Management Authority in granting the contract to demolish a building at the Warwick Primary School. The document tabled by the Minister does not appear to contain any provision relating to the granting of contracts.

- (1) Will the Minister nominate that part of the tabled document that provides the relevant guidelines?
- (2) Will he table the detailed estimates of all building damages resulting from the Warwick Primary School fire as required under clause 5.1 of the BMA's operational procedures, tabled on 22 September 1995?
- (3) If not, why not?
- (4) Are contracts issued on a do and charge basis subject to any arrangement relating to unit labour costs or unit tipping charges?
- (5) If yes to (4), what are the arrangements?
- (6) If no to (4), why not?

Hon MAX EVANS replied:

I thank the member for some notice of this question. I ask the member to put the question on notice.

#### **FRUIT INDUSTRY - INQUIRY**

1002. Hon KIM CHANCE to the Minister representing the Minister for Primary Industry:

- (1) Does the Minister now have the answer to the question I asked yesterday regarding the report by the Public Sector Management Office?
- (2) If yes, will the Minister please provide the answers?

For the Minister's benefit, the questions were -

- (1) Did the conclusive report by the Public Sector Management Office which arose from an investigation into allegations made by a fruit industry delegation find that evidence existed of offences other than those of conflict of interest?
- (2) If so, is it correct that the conclusive findings contained recommendations related to -
  - (a) the use, or illegal authorisation of use, of a chemical which is not registered for use on fruit in Western Australia;
  - (b) the stealing or receiving of that chemical; and
  - (c) the use of government assets for unauthorised or private purposes?
- (3) What action has been taken against former or existing officers of the department in respect of those findings?

Hon E.J. CHARLTON replied:

I thank the member for notice of the question he asked yesterday. The answer to that question is -

- (1)-(3) As the member already knows from a previous extensive briefing, allegations by a small section of the fruit industry were investigated and a final report provided to the chief executive officer. Appropriate action has been taken, including the referral of information to the Health Department of Western Australia.

**BUILDING MANAGEMENT AUTHORITY - WARWICK PRIMARY SCHOOL DEMOLITION WORK; POLICY FOR CONTRACTS TABLING**

1003. Hon A.J.G. MacTIERNAN to the Minister representing the Minister for Works:

I refer to the answer to question without notice 961 -

- (1) What is the nature of the request for a proposal referred to in the answer and how does that differ from a tender?
- (2) Will the Minister table the document setting out the policy for contracts of this type and size?
- (3) If not, why not?
- (4) Will the Minister table the request for a proposal distributed to the nine short-listed organisations?
- (5) If not, why not?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) A tender is a document inviting responses to provide specified goods and/or services, while a request for proposals is a document that outlines the broad scope of works to be contracted, but provides respondents with greater opportunity of suggesting innovative solutions to delivering the goods and/or services.
- (2) Yes. Government policy issued by the State Supply Commission covering public tendering permits a range of forms to invite tenders; for example, expressions of interest and invitations to register interest. The request for proposal is the second stage of the tender evaluation process following an expression of interest. I seek leave to table the document.

Leave granted. [See paper No 892.]

- (3) Not applicable.

- (4) Yes. I seek leave to table the document.

Leave granted. [See paper No 893.]

- (5) Not applicable.

**BUILDING AND CONSTRUCTION TASK FORCE - LEIGHTON  
CONTRACTORS PTY LTD CONSTRUCTION SITE IN BUNBURY INQUIRY**

1004. Hon JOHN HALDEN to the Minister representing the Minister for Services:

- (1) Is the building and construction task force investigating the Leighton Contractors' construction site in Bunbury - the concrete oil rig platform?

- (2) Have any charges been laid as a result?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) Yes.

- (2) No.

**BUILDING MANAGEMENT AUTHORITY - WARWICK PRIMARY  
SCHOOL DEMOLITION WORK; FIRMS CONTACTED, DATE AND TIME**

1005. Hon A.J.G. MacTIERNAN to the Minister representing the Minister for Services:

In respect of the answer to question without notice 987: On what day and at what time were McAlister and McAlister 1955 Pty Ltd and MidCity Building and Maintenance contacted in respect of the demolition work at the Warwick Primary School?

Hon MAX EVANS replied:

I ask the member to place the question on notice.

**FAMILY AND CHILDREN'S SERVICES, DEPARTMENT FOR - CAPITAL  
WORKS FUND, ALLOCATIONS FOR PROJECTS**

1006. Hon CHERYL DAVENPORT to the Minister representing the Minister for Family and Children's Services:

- (1) Has any of the capital works fund of the Department for Family and Children's Services been allocated or earmarked for certain projects?

- (2) If yes, what are the projects and what amounts have been -

(a) allocated;

(b) earmarked;

for each project?

- (3) What is the total amount that has not been earmarked for any project or allocated in any other way?

- (4) Are any negotiations under way with any organisations, groups or individuals over the allocation of such funds?

- (5) If yes to (4), what projects are under negotiation or consideration?

Hon E.J. CHARLTON replied:

I thank the member for some notice of this question.

- (1) All the department's capital works proposals have been allocated in accordance with the capital works program published in Budget paper No 3.

(2)-(5) Not applicable.

**EDUCATION DEPARTMENT - ARTHUR ANDERSEN REPORTS  
"CLEANING SERVICES CONSULTANCY REPORT"**

1007. Hon JOHN HALDEN to the Minister for Education:

In relation to the Arthur Andersen report on school cleaning -

- (1) How many drafts of this report were prepared?
- (2) Were the drafts presented to the Education Department?
- (3) If yes, when were the drafts presented to the Education Department?
- (4) What was the total cost of the final report?

Hon N.F. MOORE replied:

In relation to the Arthur Andersen report "Cleaning Services Consultancy Report, 31 January 1995" -

- (1) I understand one draft of the report was prepared for the Education Department of Western Australia.
- (2) Yes.
- (3) The draft was presented on 27 January 1995.
- (4) \$19 500.

In relation to the Arthur Andersen report "Cleaning Services Consultancy Report, April 1995" -

- (1) I understand one draft of the report was prepared.
- (2) Yes.
- (3) The draft was presented in the week commencing 27 March 1995.
- (4) \$19 500.

**TAFE - ASSOCIATE DIPLOMA OF APPLIED SCIENCE (COMPUTING),  
REPLACEMENT**

1008. Hon JOHN HALDEN to the Minister for Employment and Training:

- (1) Why is a TAFE information technology course - the associate diploma of applied science (computing) - that has achieved national recognition for the quality of its graduates being discontinued and replaced with courses that do not cater for the needs of industry due to their lack of substantive content, resulting in numerous complaints from students undertaking them and a similar/poorer pass rate?
- (2) Will students currently studying the associate diploma of applied science (computing) be allowed to reasonably complete their course?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1) The course is being replaced by a course which has been developed and recognised nationally on the basis of considerable industry input.
- (2) Yes.

**TAFE - INFORMATION TECHNOLOGY PROGRAMS, CHANGES**

1009. Hon JOHN HALDEN to the Minister for Employment and Training:

- (1) Does the Government agree that a local information and technology industry is vital to this State's prosperity?
- (2) If so, how do the recent changes to TAFE's information technology courses and staff assist in the development of this area?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1) Yes.
- (2) The changes to the information technology programs are consistent with TAFE colleges' realignment strategy. Changes in industry and the labour market demand from TAFE adjustments to the delivery of its services. In response to the changes and the imperative outlined above, TAFE programs are increasingly being delivered through a number of specialised campuses attuned to specific industry needs. The program will reduce the duplication of outlets, allowing delivery sites to be located close to major concentrations of industries being serviced, and will enhance the vocational education and training system's capacity to maintain relevant technology by not having to provide expensive equipment on several sites.

**EDUCATION DEPARTMENT - COMMUNITY PRESCHOOLS, FUNDED AS  
COMMUNITY PRESCHOOLS FOR FIVE YEAR OLDS**

*Katanning, Kalamunda, Kununurra, Forrestdale, Wembley*

1010. Hon JOHN HALDEN to the Minister for Education:

Can the Minister assure the House that the community preschools at Katanning, Kalamunda, Kununurra, Forrestdale and Wembley will be fully funded in 1996 as community preschools for five year olds?

Hon N.F. MOORE replied:

I do not have any notice of the question. I do not carry around details of the 772 schools in Western Australia. The member should place the question on notice, or ask it again next Tuesday.

**SHIPS AND SHIPPING - CLUNIES ROSS VESSEL**

*Work Stoppage by Maritime Union of Australia*

1011. Hon KIM CHANCE to the Minister for Transport:

- (1) Is it correct that, according to current award requirements, the Clunies Ross vessel now in Fremantle is under-crewed by three members?
- (2) If so, what action will be taken by the Minister to assist the Maritime Union of Australia to ensure that the law of the land is enforced?

Hon E.J. CHARLTON replied:

- (1)-(2) The law of the land is enforced. If a single voyage permit is allocated to a company, it is a legal operation. That company has contracted a ship of Danish origin with a crew and it has received a single voyage permit. It is a legal operation.

Hon Kim Chance: At what crew level?

Hon E.J. CHARLTON: The ship has six crew. The Maritime Union of Australia does not understand. It has decided to blackmail the owners and the operator of the ship. Members will walk away from their legal responsibility. The Federal Government has allocated a single voyage permit to the company. By stealth or blackmail the union is attempting to force the company out of business. It will do that in one of two ways: Either it will not allow the ship to come here with a foreign crew, or it will demand that the crew comprise 18 members - that is, nine and nine. That will automatically achieve the demise of the operation. Alternatively, as I said in a previous answer, a deal will be done with the Federal Government through Warren Snowden because he has a desire to move the operation to Darwin to provide the \$50m to \$55m a year service to Darwin instead of Perth. Whichever move is made, it will be illegal. The Parliament, the people of Western Australia, and businessmen should denounce this illegal stoppage.



Hon A.J.G. MacTiernan: It is not the only illegal thing on the wharves!

Hon E.J. CHARLTON: If the member is referring to the operations of another stevedoring company, that is also a proper and legally constituted operation.

Hon A.J.G. MacTiernan interjected.

Hon E.J. CHARLTON: I am pleased that the member interjected. A part of the reason for this stoppage could be that an alternative stevedoring operation could service the ship. It would be proper and legal for the ship to move to the Fremantle Stevedoring Group or the Buckeridge Group - whichever one wishes to call it - to provide a service.

Hon A.J.G. MacTiernan: You are a good stand-in for Kierath! You must have Howard shaking in his boots!

Hon E.J. CHARLTON: No. Members opposite want to have everyone run away from the MUA like cowards.

The PRESIDENT: Order!

Hon E.J. CHARLTON: That is true, Mr President.

The PRESIDENT: Order! I never said it was not true. I do not know whether it is true; and, what is more, I do not really care.

Hon E.J. CHARLTON: It is a very good question.

The PRESIDENT: Order! I have a great feeling of sadness for Hon Kim Chance because he has asked the question and the Minister is ignoring him and answering a question asked by Hon Alannah MacTiernan.

Hon E.J. CHARLTON: I took it as a supplementary.

The PRESIDENT: Order! Poor Hon Kim Chance is sitting there absolutely dumbfounded that I am allowing his question to go unanswered.

Hon E.J. CHARLTON: I can answer it more specifically, if you like, Mr President. Hon Kim Chance asked about the six crew and what would I do to stop what is a legal requirement by requiring an Australian crew. I said that it was legally constituted because it had been approved by the Federal Government as a single voyage permit.

Hon Kim Chance: That was the crux of the question.

Hon E.J. CHARLTON: That is right. I would like Hon Kim Chance to give a message to the MUA to reinforce the decision which has been handed down by the Federal Government by allowing the company to operate the single voyage permit with the existing crew, or get it to come clean about whether, on the one hand, the company has been given a single voyage permit or, on the other hand, the Federal Government is working under an arrangement with the MUA and saying, "Do not take any notice of the fact that we have given them a legal single voyage permit to provide the service, because if you can stop them from operating, they will go out of business and we will be able to put in place the other alternative."

Hon Kim Chance: That is drawing a very long bow.

Hon E.J. CHARLTON: The member might say that, but if he knew what I know -

Several members interjected.

Hon E.J. CHARLTON: The other part of the equation is that this four hour operation was stopped for seven days last time, and there is the capacity for several hundreds of thousands of dollars in damages, yet the Federal Government is standing by and allowing the MUA to victimise that company while to the broader community there is no strike, stoppage or disputation at Fremantle. What I keep saying is that while there may not be a stoppage, all of this ongoing

blackmail is taking place against particular operators whom the MUA singles out to victimise as a consequence of its illegal actions.

**EDUCATION DEPARTMENT - CONTRACTING OUT, ASSISTING  
FORMER EMPLOYEES TO COMPETE FOR CONTRACTS**

1012. Hon TOM HELM to the Minister for Education:

The Minister will be aware that companies in the Pilbara which have gone down the path of contracting out have given their ex-employees every opportunity to compete for contracts that they may offer which have nothing to do with their core business. I am talking about the iron ore companies; for example, BHP. Given that the Minister intends to contract out various services of the Education Department, has the department given consideration to assisting ex-employees so that they too can compete for contracts that may be issued by the department so that the department does not lose the expertise of those people? For the benefit of the Minister, the companies in the Pilbara assist with training and give some equipment or money for equipment so that ex-employees will have a fair go in bidding for contracts along with everyone else. Has the Minister considered going down this path; and, if so, will he inform the House?

Hon N.F. MOORE replied:

Mr President -

Hon Tom Stephens: A short answer - yes or no!

Hon A.J.G. MacTiernan: Take Max's advice and put it on notice!

Hon N.F. MOORE: I do not know whether to say yes or no because I am not sure to whom Hon Tom Helm is referring when he talks about ex-employees. I know there are a number of ex-employees of the major mining companies, but I do not know of any former employees of any agencies under my jurisdiction.

Hon Tom Helm: Gardeners and cleaners.

Hon N.F. MOORE: Let us get this absolutely clear so that there can be no dispute. I will say this in the House so that I am stuck with it in the sense that when one says something in the House, that is one's word. There will be no corporatisation of gardening services in schools. We are continuing to employ the day labour work force in gardening. I have said on countless occasions that some of the things they do will be contracted out, such as lawn mowing, but the individual people will be retained as day labour. In respect of cleaning, we have decided to contract out some schools in the metropolitan area to see how that goes in comparison with the day labour work force, and that will be done over a period of time. I do not know how long it will take to assess one in comparison with the other. In respect of cleaning services in country areas in Western Australia, it will be very difficult to have a competitive private sector cleaner because there are no cleaning companies of the magnitude that we require for the cleaning of schools, so it may be that there will be no contracting out at any time in the country. I do not want to speculate about that. The question does not apply to anyone.

**LAND - MCNEIL CLAYPAN, CARNARVON, WITHIN BRICKHOUSE  
STATION PASTORAL LEASE, FENCED OFF FOR GRAZING**

1013. Hon TOM STEPHENS to the Minister for Lands:

I refer the Minister to the answers given to questions on notice 3890 and 4164 in the Legislative Assembly, which deal with the grazing of cattle on the McNeil Flats associated with the Brickhouse station pastoral lease adjacent to the townsite of Carnarvon. Can the Minister explain which of the two answers given by his representative in the Legislative Assembly is correct? Does the whole of the McNeil claypan fall within the Brickhouse pastoral lease, or is it part of the vacant Crown land within the Carnarvon townsite? If the latter is the case, why is the leaseholder able to allow for the grazing of cattle inside a townsite?

Hon George Cash: I missed part of that question. Can Hon Tom Stephens repeat it for me?

Hon TOM STEPHENS: There was a discrepancy between the answers given on the Minister's behalf in the Legislative Assembly to questions on notice 3890 and 4164. One answer claims that the whole of the McNeil claypan, which is an environmentally sensitive area adjacent to the townsite of Carnarvon, falls within the Brickhouse pastoral lease. The other answer suggests that only part of the land is vacant Crown land and is within the Carnarvon townsite. If the latter answer is correct, why does the answer given on the Minister's behalf suggest that the pastoral leaseholder is able to fence off the claypan and allow for the grazing of cattle on this environmentally sensitive site?

Hon GEORGE CASH replied:

I do not recall the exact questions that were asked in the other place; however, I do recall providing certain information. It did appear that the member who asked the question was somewhat confused about the extent of McNeil Flats. As a result, a second question was asked. The second answer that I provided by way of information to the person representing me in the Legislative Assembly attempted to clarify the issue. However, if the issue is still not sufficiently clarified I am more than happy to look at it. I can assure the member that the maps at the Department of Land Administration will show the extent of McNeil flats and the boundaries of Brickhouse station and the excisions that have already occurred from that. I will take advice on what the pastoralist is or is not doing on certain lands and attempt to provide an answer next Tuesday.

#### EQUINE VIRUS - RACING INDUSTRY PROTECTION PLAN

1014. Hon GRAHAM EDWARDS to the Minister for Racing and Gaming:

I refer the Minister to the equine virus which has had a devastating effect in Queensland. Is the racing industry taking a national approach to this issue and if so, what role is his department or the Western Australian Turf Club playing? What steps are being taken to protect the industry in Western Australia?

Hon MAX EVANS replied:

Peter Symons, who is the veterinarian at the Western Australian Turf Club, has set out an Australia-wide damage control plan. I have written to the Minister for Agriculture requesting that his department develop a plan to control the spread of diseases such as the equine virus. Fortunately, Western Australia is free of most of the diseases around. Influenza has a quarantine period of one week. We need an action plan in the event of an outbreak of something like the equine virus which killed Vic Rail, so we will know what procedures to put in place. I hope that within the next month someone in Agriculture Western Australia will work on putting a procedure in place.

#### EDUCATION DEPARTMENT - CONSULTANCY REVIEW OF EDUCATIONALIST PSYCHOLOGISTS; DELOITTE TOUCHE TOHMATSU

1015. Hon BOB THOMAS to the Minister for Education:

I refer to the consultancy review of educationalist psychologists.

- (1) When was the contract let to Deloitte Touche Tohmatsu, and what was the cost?
- (2) Who made the decision to let the contract?
- (3) What are the terms of reference of that review?

Hon N.F. MOORE replied:

- (1)-(3) I know that from time to time I am criticised for asking members to put a question on notice; however, I do not carry that detail around in my head. I ask that the question be put on notice.

**STATEMENT - PRESIDENT**

***Questions Relating to Answers Given in Another Place Procedure***

The PRESIDENT: I want to make some comment on the question asked by Hon Tom Stephens. Members need to get some advice on the way in which questions should be framed when they relate to questions and answers that are given in another place. I did not interfere today, because I had to await the ultimate result of the question. A procedure should be followed, which is a bit different from the procedure that was followed by the Hon Tom Stephens today. I will say no more at this point, but I suggest to any member who wants to question some answer that was given in another place that there is a procedure that should be adopted.

Hon Tom Stephens: Is there a standing order?

The PRESIDENT: Yes, Standing Order 74. It is my job as the President to ensure that things proceed correctly in this place. If I do not do that members will have reason to criticise.

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