



Parliamentary Debates

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LEGISLATIVE COUNCIL

Wednesday, 22 March 2000

Legislative Council

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

TENDERING FOR LOCAL CONTRACTS - REVIEW OF GOVERNMENT POLICY

Motion

HON TOM HELM (Mining and Pastoral) [4.06 pm]: I move -

That the Minister for Works and Services reviews state government policy of amalgamating small and medium sized contracts which ties local contracts to similar contracts statewide and prevents local contractors and suppliers tendering for local contracts.

Hon Greg Smith interjected.

Hon TOM HELM: I gave notice of this motion on 10 August, so it is a long time between drinks. In one way that length of time has been good. When people suspect that something is happening but they cannot put their finger on what is wrong, with the passage of time, if they are lucky, evidence becomes available to support the feeling that all is not what it seems. I will explain today why the House must support this motion and why there must be a review.

If a review were to find that we are getting a better service through the State Government's way of handing out contracts and looking for tenderers, we will have been well served. People in rural and regional Western Australia want to know. If we are not getting a better service, we must put into place something that will allow the Government to meet the claim that has been espoused by this Government since its election; that is, that it is able to create better management, more jobs and more services to rural and regional Western Australia than is a Labor Government. I do not think that anyone in this place can tell me that the bush has done a great deal better under the policies of this Government. We have some major problems in rural and regional Western Australia in that towns are dying and jobs are reducing. Small businesses are in worse straits than they were before we had this coalition Government.

The House will recall that one of the major thrusts of the policy that was put before us by the Government was that there would be a bias shown towards rural and regional Western Australia with state government contracts; contracts would be let so as to give small businesses an opportunity to tender for work, and in that way we would at least maintain the number of apprentices in our towns and the level of jobs that would be dependent on state government contracts. That is commendable. People must take their hat off to any policy that goes to the nub of the survival of rural and regional Western Australia and channels taxpayers' funds back to the taxpayers by way of a bias towards those who may be disadvantaged. However, I will show during the course of my contribution that that is not the case. I will show that things have gone backwards, and even though the policy was put forward, and we have been assured in this place and the other place that chief executive officers of government enterprises are well aware of their responsibilities in letting contracts, that is not being shown to be the case. A week ago Clive Brown, the member for Bassendean, asked the Premier in a question on notice whether he was satisfied that the regional buying compact illustrated the commitment of the Western Australian Government to giving regional suppliers enhanced opportunities to bid for government contracts. The Premier assured the member in the other place that that was the case, and that he was satisfied the policy was being followed successfully. The Premier also said that, to emphasise what he expected CEOs to do, the State Supply Commission had issued a note to all CEOs titled "Are You Doing Enough?" to remind them of their obligations under the compact and how best to achieve the Government's objectives. In answer to question on notice 1516, the Premier also stated -

. . . The Regional Buying Compact has a grievance process, which can be accessed by contractors who have concerns with the application of the Compact by agencies. These concerns should be directed to the State Supply Commission.

. . . The State Supply Commission is reviewing the effectiveness of the Regional Buying Compact. The Commission is developing a new policy to improve opportunities for regional buyers to bid for government contracts which is designed to promote competitive local industry.

Mr Brown then asked about the regional buying compact in question on notice 1544 to Mr Kierath, in his portfolios of Planning, Employment and Training, and Heritage. Part of Minister Kierath's answer reads -

The Government, through its agencies, awards many contracts in the State and if the member is referring to a specific contract, more information should be submitted to the responsible Minister. Under the Compact, the price preference is available to those contractors and suppliers having a permanent office and staff located within one of the regional zones prescribed under the policy. For contractors outside the zone, a preference is also available for the use of regionally based suppliers of goods and services. The goods and services bought should always represent value for money and also satisfy other relevant criteria such as conformance to technical specification.

He goes on to say -

The Government is committed to increasing the level and range of buying sourced in regional areas. The State Supply Commission is reviewing the effectiveness of the *Regional Buying Compact* and will soon advise

Government on how to enhance the opportunity for regional suppliers to successfully bid for government contracts.

Members will recall that the end game of where this Government stands on these matters lies with the CEOs of each department. The CEOs have a responsibility to keep within budget, and are charged with the responsibility of reducing their budget if required to do so by the Government's razor gang. CEOs must be aware of the prices of the goods and services that are available to them. They must also be aware of where the votes are; they must take into account political considerations as well as purely economic factors when giving smaller contractors or local contractors an opportunity to bid for work and for delivery of services and goods. CEOs must also take notice of the national competition policy and the committees that are set up to monitor competition. The CEOs have an enormous task, and members who spend their time in the bush know that those responsibilities have not been carried out for various reasons, and that it is pretty obvious that we need a review. The Premier's actions support the view that a review is needed, since he has had to remind his CEOs of their responsibilities. If one compares the Government's feel-good statements about the regional buying compact with its application on the ground one sees two different sets of circumstances. Debate in the other place on 15 March on a motion relating to the Term Network Contract 5, reported in *Hansard* on page 5041, reads -

Mr BROWN: I am not sure if they are referred to as term network contracts, but I am talking about what people in rural or regional Australia refer to as large contracts - mainly Main Roads contracts.

Mr Board: Main Roads controls Main Roads' contracts. They often involve CAMS which will let the tender, but it does not control the contract. That happens with a lot of the major agencies. CAMS is primarily involved in works. There has been a very deliberate program of government to increase the percentage of work that goes to small business and particularly regional small business.

Mr Brown then asked Mr Board whether he had talked to the small business community, because he could not be talking to the same people whom he had talked to. Mr Brown then states -

Whether it is the role of the Department of Contract and Management Services, Main Roads, the Health Department, or whoever, the point I make is that nobody from government had the decency to talk to a number of small business operators about the fact that a decision had been made to issue large contracts which cover the work done by small business in those areas for many years. In many instances those small companies believed they had done a good job because they had won not just one contract but had repeatedly won contracts with the Government over many years, and their work had been accepted.

When some of those small businesses have raised these matters with government officers it has been suggested that they subcontract. There are two problems with that, as the minister knows. The first problem is that a head contractor is not obliged to apply the regional buying compact when allocating subcontracts under a contract. The minister has confirmed that in the House in previous debates. Those small businesses lose the benefit that is potentially offered by the regional buying compact. However, there is a second issue which is very important. Not many companies, but at least two of which I am aware, that offered to do subcontracting work for head contractors engaged by government did not get paid for the work, despite the security of payment arrangements that are supposedly carried out by government. It has been said in this place previously that government requires head contractors, when applying for payment under a contract, to sign a statutory declaration that subcontractors have been paid. One of two situations can occur here: First, subcontractors are falsifying statutory declarations. I do not think that is true because significant penalties apply for falsifying statutory declarations. However, a number of small businesses that are placed in a situation have asked what checking is done by government to ensure those statutory declarations are true.

The speech goes on to explain how the policy of the regional buying compact is destroyed somewhat by the contracting out of various work with taxpayers' money. The Labor Party believes that - I will not dwell on this - by the privatisation of services, the Government can lose control of the taxpayers' dollar by a sleight of hand in some instances or, at the least, by saying one thing while another takes place.

This leads me to being rather cynical about how I view the Government's commitment to the regional buying compact. It probably finds it very difficult to look after its big business mates in Perth and to allow work to go to regional centres. In many ways, it flies in the face of the direction this Government has taken. Even if I did not take that cynical line, I would point out that in many instances big contractors have won work, particularly in the north west, and I can speak with some experience about that.

Last year I addressed a meeting of the Chamber of Commerce and Industry of Western Australia in Albany and I was told about some difficulties the chamber faced when the regional compact philosophy had not been followed. The problem is not just in the north west, but throughout regional and rural Western Australia. The terms of these contracts must be monitored carefully. Small contractors have been to see not only the shadow minister for Small Business, the member for Bassendean, but also me to tell me that they have raised issues with various departments and expressed some concern that they had either lost contracts or were not considered for them, even though they believed they had fulfilled the criteria set down by the Government. In many cases it was because of bulking up of the contract or letting a contract that was too big for the smaller contractors to follow.

I explained to these small business people that it was my job to bring those issues of inequality or unfairness into the Parliament and use my position as a member of Parliament to highlight these matters. For the most part, the small

businesses were not willing to do that. They were reluctant to allow me to pursue the matter for them because they wanted to be awarded more contracts from the Government or the department and they knew that if they were seen to be troublemakers their ability to tender for work would be reduced significantly. Labor members have a concern with that. If the House agrees to this review taking place, members will be obliged to see that every effort is made to protect the people who come forward to give evidence to a committee of whatever nature, so that we can ascertain and highlight the difficulties faced by those people.

This leads me to another aspect of what this Government is doing. I placed a question on notice on 14 March to the Minister for Works. I asked whether subcontractors and contractors must pay a fee - I am not sure to whom - to go onto a panel of contractors. They would become the preferred suppliers to the Government.

Hon Ljiljanna Ravlich: It is to CAMS.

Hon TOM HELM: Yes. I asked how the fee is calculated. I am advised that people would be obliged to pay a wide range of fees to become preferred contractors. Once on the panel, they would be available to get work from the Government without their having to go through certain steps. I have been given a copy of a letter addressed to the Minister for Works, the member for Hillarys, which I will read into the record to give members an idea of the sorts of fees that might be charged. The letter is dated 25 February and states -

Dear Sir

ARCHITECTURAL CONSULTANT SELECTION FOR GOVERNMENT PROJECTS

We met recently with senior officers of Contract and Management Services, Frank Pittman and Chris Bagley, to voice our concern at the new method of appointment of architectural consultants for the bulk of State Government projects.

The previous method of public tendering for services has now been dispensed with in favour of appointment from a small panel of architects. These contracts for service are significant in size often ranging in fee size from \$100,000 up to \$250,000, depending on the size of the project.

Along with many other Perth architectural firms we are now no longer able to tender to provide consultant services for the bulk of government services. This is an unfair and restrictive practice that is not necessarily best for the State Government and associated client departments.

It appears obvious that by not advertising these projects publicly in the open market place that CAMS may not be getting the best value for money for their client departments and the State Government.

Our firm, together with many others, has in the past been a major contributor to government projects and this policy has had a significant effect on our viability, resulting in staff reductions and an uncertain future in the industry.

Since the formation of Holton Connor in 1992 we have seen a steady growth in workload, much of which has been government projects in the \$1 to \$3 million size range. During this period we have undertaken a significant technological upgrading, become quality assured and gained a good reputation with many of the State Government client departments, largely to meet CAMS requirements.

However, it frustrates us when we hear that many of our regular government client representatives wish to have the opportunity to utilise our services but are unable to invite us because of the new CAMS policy.

It is also strange to find that country regional architects also have special privileges over and above their counterparts in the Perth regional area, being invited to tender for work with no requirement to be on the CAMS architectural panel.

Generally we also believe that the CAMS tendering process is increasingly favouring the larger practices with their apparent larger resources and greater background of project experience to draw upon in submissions. Unless fees are considered as part of the selection criteria the process will become progressively more weighted towards the larger firms.

We strongly believe that CAMS should review the Medium Project Architectural Period Panel system to discontinue the process and revert back to a public advertising process.

In this respect we would request your assistance to review the current practice and instigate a fairer process of tendering for architectural services for government projects that meets the Government tendering guidelines and provides Departments with better cost effective architectural services.

I have also been advised by a company that wishes to remain anonymous that it has been asked to pay something like \$700 a year to be considered for the panel of preferred tenderers. I do not know where that appears in the *Government Gazette*, if it ever did. I do not know how that sort of process can be allowed. If it is true - I do not know whether it is - it seems a bit odd that the regional and rural contractors do not have to pay this fee but the major contractors in Perth do. I suspect that the State Government has an obligation to ensure that those people in the metropolitan area are given the bulk of the work to make the money that they pay in worthwhile, so that they can go on to work in rural and regional Australia and

make a quid, thereby being paid back for the investment they have put in. It is odd that another brick should be put in the wall of the rural and regional contractors because a fee must be paid by the major contractors to operate in the bush.

It would be a useful exercise to quote from a document I received from a company called Mitchell and Brown Communications. It is located in the Geraldton Technology Centre, and it supplies computers across the board - to the Education Department, to the Department of Contract and Management Services and to the Minister for Works - from Geraldton, which one could describe as being part of regional and rural Australia. Because of the inability of CAMS or the Education Department to put into place this regional buying compact, that company has lost work worth millions and millions of dollars, and it has been required to reduce its work force significantly. I guess this is just an example of one company that is prepared to come forward to supply the evidence. I am not sure of the outcome of this matter. I received a fax around the beginning of December last year. That broadcast fax was to a group of people, including Dr Geoff Gallop, Hon Kim Chance and me, the State Government Ombudsman, *The West Australian* and Geraldton newspapers. The letter begins -

Are Government Agencies really interested in regional Development?

This is a broadcast fax to parties who we feel may have an interest or involvement in the State Government's Regional Buying Compact and its lack of implementation.

It is important that you take the time to read through the attached supporting information. I have also given an overview of the Regional Buying Compact prepared earlier this year Pages 13, 14 & 15.

Since preparing this overview, CAMS have introduced a new improved Head Panel contract 40499 for the Supply of Desktop computers which has covered some of the regional issues previously overlooked including the Regional Buying Compact.

However, while the intent of this Regional Buying Compact is to enhance Regional Development, some Government buying agencies are still not taking it seriously and these agencies continue to structure tender specifications which avoid the 10% Regional price preference.

Our company has had an ongoing battle with the Education Department who have introduced direct buy contracts allowing any school to bypass their Regional dealer in favour of purchasing equipment direct from the manufacturer at wholesale price.

Even though the direct buy contract for computers is not mandatory, it might just as well be. Under the present arrangement, it is very unlikely that any school will call their own tender under CAMS 40499, when they can just pick up the phone and buy them direct without having to apply the Regional Price Preference.

Regional companies are unable to supply computers directly to schools unless the schools call for tenders.

The direct buy contract introduced by EDWA for the purchase of desktop computers in schools more than 12 months ago, has disadvantaged regional companies by not allowing a mechanism for Regional suppliers to participate in tendering process or to claim their entitlements under the Regional Buying Compact.

This particular supply contract (EDTC039/1998) was placed under scrutiny by several sectors of government, including the State Supply Commission who investigated a complaint lodged by our company.

Although we disagreed with the State Supply Commission's final determination dated 23rd April 1999, we could not afford anymore time to pursue the matter further. We reluctantly decided to accept the \$50 surcharge and the two quote system via CAMS for an interim period until the new replacement tender (EDTC039/1999) was introduced.

Since then, intense lobbying by us and meetings between EDWA, CAMS, SSC and the Minister for Works have failed in providing a better deal for Regional Suppliers. The new tender process and specification has again disadvantaged Regional Dealers.

Despite supplying the majority of PC's to schools in our region for the past four years, no mechanism was available for our company to submit our own tender. We responded to the new replacement tender (EDTC039/1999) in conjunction with three of the approved assemblers, submitted Regional pricing and claimed the 10% Regional price preference through them.

The tender specification (5.2) stated a preference was applicable under the Regional Buying Compact, however it was not clear how EDWA could apply or maintain the 10% price preference once the contract was in place.

Given the history of this contract, we were concerned that EDWA would not apply the Regional Price Preference correctly. As such, we wanted to make sure that the Regional pricing provided by our company would not disadvantage us or our assemblers.

Before tenders closed (13th August), I emailed EDWA with a copy to SSC & CAMS . . . expressing our concerns. I asked how the 10% Regional price preference would be applied and maintained? I also discussed the situation with the Minister for Works office.

On the 18th August I received this reply from Phil Dayman from (EDWA).

Thank you for your e-mail, the Department is considering your views with CAMS and the SSC. Outcomes that arise from these considerations will be advised when available.

Tenders closed the following day 19th August.

Following a long tender evaluation process, we are bitterly disappointed to find that none of the assemblers who submitted Regional pricing on behalf of our company were successful. We are not aware of the reasons for their rejection, but have been advised by EDWA ***that because some bids were received from outside Western Australia*** -

Wait for it -

the Regional Buying Compact was extinguished and the price preference did not apply.

Our company is no longer included in this direct supply chain, so therefore we have very little chance of supplying computers to schools once the new tender is in place.

It is hard to explain the complete situation in a letter, as there are numerous side effects and flow on problems for Regional dealers as a result of EDWA's unfair tendering practices.

I have attached the most recent correspondence associated with this latest tender and some other relevant information, if you require any more information please give me a call.

I apologise if anyone finds the tone of my recent correspondence (Pages 9, 10 & 11) offensive. Twelve months continuous dealing with government has taken its toll.

From that it is apparent that not only is the regional compact not as effective as it should be, although we will not say it has failed completely, but also it highlights the difficulties associated with bulking contracts together and making them so big that some of the smaller, regional contractors can apply as only subcontractors.

The regional buying compact was extinguished because expressions of interest were received from interstate. The issue then falls within the national competition policy. Barry Mitchell, therefore, has a problem as has the company he heads. In his concluding letter he explains how much money he has lost and how many people he had to put off and the hard work he put into not just the contract itself, but also into fighting government agencies to see that the regional buying compact was followed as closely as possible. We can understand that this company in Geraldton was obviously reliant to a large extent on government contracts. A significant contractor was affected.

What should be teased out by this debate is the response from the Government in the light of its professed desire to look after rural and regional Australia and its ability to do something with it. Obviously there are concerns within government, as indicated in the response of the Premier to Mr Clive Brown in another place in answer to a question during question time. At this stage, chief executive officers should be aware of their responsibilities. Mr Brown asked question on notice 1516 at page 5062 of *Hansard*. In his response the Premier referred to a note containing the words "are you doing enough?". That alone suggests the Government concedes a problem exists that must be addressed.

Although the difficulties people face living in some of the more remote parts of the State have been acknowledged, some things occur that are bizarre. Members will be well aware of how we welcome government expenditure and how a few million dollars spent on building a gymnasium or recreation centre is a boost for the community and something we look forward to. Since I first arrived in the Pilbara in 1980 it has been my perception, although it is not documented, that every major building project has employed a contractor from Perth, usually during the Perth winter.

However, as inevitably occurs - it occurred at the Karratha High School extensions, the recreation centre in Newman and even the shopping centre in South Hedland - major structural problems are experienced when the first rains come. The water pours through the roof as though through a colander. The local contractors are then invited in, possibly under warranty - nobody follows these issues through to the nth degree - to repair the damage. All the major construction sites which involved expenditure of more than \$1m experienced major problems, such as flashing lifting or not being put on. I am sure everyone knows about the roof of the single persons' quarters in Dampier - it was before my time - which blew off because the nuts were not screwed onto the bolts that held it down.

I am raising this because the small contractors, the people who supply the local towns such as Newman, Hedland, Karratha, etc may not be dependent on government work, but they see it as their bread and butter. They see the work they do for companies such as Robe River Iron Associates and Woodside Offshore Petroleum Pty Ltd as the cream. When they see their bread and butter work being taken away from them they become resentful. Although they are probably paid well, that resentment is increased when they are called in to correct some of the inevitable major structural faults that arise once the contractors have left.

No doubt some people will say they should be grateful for the work they receive to correct some of the mistakes. However, they think, and I agree, that they should have been given the opportunity to do the job in the first place. If they had been given the job in the first place it would have been done better and taxpayers' funds might have been spent more wisely.

That probably goes back to the same old argument. I have addressed a number of Chamber of Commerce groups about this issue because they brought it to my attention. I said that the only way we can address it is for the people most affected to speak to the Government and voice their concerns.

Basically, we are well aware of what happens. As a member of the Opposition it is my job to pick holes in government policy and make any political capital I can from situations like that. However, ultimately our argument is that we are not given an opportunity to have a say about how government money is spent at a local level, although regional development authorities and commissions have some input into how those dollars are spent; but perhaps they also get a bit removed from situations. I hope that when this review is established, there will be a way of encouraging small contractors to come forward with their concerns so that we are not hitting each other about the head about incompetence or taking part in the 1984 George Orwell "new speak", but are getting value for dollars spent, which I believe the privatisation policy followed by this Government is meant to achieve.

I may be quite content arguing about privatisation, and I will do so for as long as I like, but if it can be proved - that is the argument from this side - that we are getting the value for our dollar that privatisation is supposed to return, we must shut up and cop it. However, that is another argument. So far the Government has not demonstrated that privatisation has saved us any money. However, with the help of small business in rural and regional Australia, we can help show that there is a more effective way of spending money. That may be the implementation of the regional buying compact, which is a child of this Government. Within the compact there is probably the ability to put dollars on the ground in small towns, to maintain the small contractors in those small towns, to play a major role in employing more apprentices in the bush and to see that people are given a fair go to get a return on their investment. Some people have put their life savings into small businesses in those towns. Both Clive Brown and I talk about being exposed to the complaints and concerns of small contractors more regularly than we would like.

Hon Simon O'Brien interjected.

Hon TOM HELM: People say that sometimes. I get paid by the word.

The intentions are good; it is a pity the compact does not seem to work. I am not involved in small business. I cannot prove or disprove what I have been told, but I can say that day by day we are losing more facilities in small towns. We are continually disadvantaged. There is strong feeling, from people other than businesspeople, that the taxpayers' dollars that regional towns get - we would like more - are not used as wisely as they might be because there seems to be little local input. I am a great supporter of regional development commissions and authorities. Perhaps they could be given some responsibility for monitoring the effects of the compact. I feel it is a stab in the dark to acknowledge that problems exist and then simply send leaflets to the chief executive officers of government departments saying they could do better. We must do better in understanding the aspirations of small business and of this Government by making sure the regional buying compact is seen to work rather than its simply being spoken about. It astounds me that the people who talk to me about these problems, whether it is through the auspices of chambers of commerce in various towns, on the telephone here or in Newman, are not people who would be Labor Party supporters. It is ironic. Those people are subjected to the big business orientation of this Government, whether it be a deliberate orientation or the result of a culture in which the departmental bureaucrats are set. I would not say this to people's faces because my job is to represent anyone, whatever their political persuasion. However, I always have a little smile to myself that these people will be standing opposite me at the polling booth handing out how-to-vote cards and saying everything is fine. However, I would not like anybody to think I was passing remarks that the Labor Party is perfect.

Hon Simon O'Brien: Don't worry; it will remain the best-kept secret in town!

Hon TOM HELM: I hope we can get away from the culture of slapping each other around the face because we are on different sides of the political spectrum. I hope we can deal with this matter satisfactorily by putting in place what has been proposed and letting it do what it is supposed to do. Things are getting critical out there. We cannot afford any more cutbacks in rural and regional towns. We must look at what we can do to turn the tide around and make those towns the dynamic places they once were. Like almost everything in our society, there must be a first step that works toward providing employment opportunities, fairness and equality across the board. I know that may mean economic pain, but I can guarantee that if people of whatever political persuasion are prepared to give those at grassroots level more say in how their money is spent, we will be heading some way towards working out those issues.

I take note of the time. I hope the House is able to agree to this motion. I could have used it as a means to attack the troglodytes on the other side, but I did not do that and do not intend to do that. The proposed policy is not a bad one.

Debate adjourned, pursuant to standing orders.

[Questions without notice taken.]

RAIL FREIGHT SYSTEM BILL 1999

Second Reading

Resumed from 23 November 1999.

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [5.35 pm]: The Rail Freight System Bill has been around for quite some time, and the Government has been negotiating with several members. Debate on the Bill was adjourned in November 1999, and since that date I have been holding discussions. I offered to address the specific concerns of all members opposite, but the Labor Party was not prepared to discuss the matter at all, and remains obstinately opposed to the concept of a private operator running Westrail's freight business, despite being unable to offer any alternative policy

to ensure a viable rail system and sufficient investment in the rail infrastructure. That is a crucial factor that must be addressed. Anybody coming into government in the future must address that, and that is one of the issues that must be understood in this debate.

The Greens (WA) and the Australian Democrats had particular concerns, which I offered to address. However they did not accept the offer. The only member to demonstrate a vision for the rail system, to recognise that the continued capacity of the rail system to support regional and industrial development depends on an efficient and enthusiastic private operator, and to be willing to discuss specific matters of detail with me, was the member for the Mining and Pastoral Region, Hon Mark Nevill. I am glad to report that I have reached agreement with Hon Mark Nevill who, despite his support for the sale in principle, had specific concerns that needed to be met before he could commit himself to supporting the Bill.

A number of Hon Mark Nevill's concerns had already been addressed by previous commitments made by the Government. However, as a result of the discussions held since the debate was adjourned, the Government has made some further changes to its policy and added further conditions of sale. The Government has recognised the concerns expressed in some quarters about the perceived effects of vertical integration on rail competition. The Government has made concessions to address these concerns. As explained in my media statement of 24 November, the model now proposed by the Government will provide for the purchaser of Westrail's freight business to establish separate subsidiary companies to manage the track and the train services. This model strengthens the ring-fencing arrangements that are a feature of the WA rail access regime. I have since agreed to some minor refinements with Hon Mark Nevill, which form the basis of amendments he will move in Committee.

The Government has agreed to exempt the Australian Rail Track Corporation from its prohibition on government-owned and controlled railways bidding for Westrail freight. This exemption was requested by Hon Mark Nevill and is granted on the basis that the ARTC has a unique position, in that it is the agreed exclusive national provider of interstate rail access and it owns the track that abuts the Westrail track east of Kalgoorlie.

Hon Tom Stephens: Does it conform to the national competition guidelines to make specific exclusion for one entity?

Hon M.J. CRIDDLE: We will have plenty of competition for this entity.

Hon Tom Stephens: That was not the question.

The PRESIDENT: Order! The Leader of the Opposition. The minister is replying to the second reading debate and we do not need a question and answer session.

Hon M.J. CRIDDLE: Hon Mark Nevill had particular concerns about the long term viability and standard of the Kalgoorlie to Esperance rail line, which is a key link for the port of Esperance - everybody in Esperance has those concerns - and provides an alternative export route for the industries in the Kalgoorlie region.

In the context of the commitments made recently by Portman Mining Ltd to significantly increase its production of iron ore and to export that product through Esperance, the Government has agreed that the Kalgoorlie-Esperance track should be upgraded to a standard that will allow trains of 23-tonne axle loads to travel at a maximum permissible speed of 80 kilometres per hour. This will now be made a condition of the sale, subject to contractual commitments that guarantee rail traffic at a volume that requires such a standard, nominated as 3 million tonnes per annum.

Westrail has already brought forward its planned \$32m resleeper program on that line in recognition of Portman's increasing output. It will also incorporate into that work program extra sleepers and formation work to lay the foundation for the agreed upgrade. That is a crucial factor as we go ahead with the upgrade, certainly on the curves. The condition of the sale and lease will require the new purchaser to spend an additional \$40m to \$80m on the line, depending on the availability of second-hand rail. Hon Mark Nevill has indicated that he believes this condition should be in the legislation as well as in the sale and lease documents, and he will propose an amendment to that effect. I congratulate Portman Mining on its decision to increase its output and to export it through Esperance. I look forward to a contract for the rail transport of that product being negotiated well before the sale. We are well down the track towards negotiating that sale agreement with Westrail. I talked to the Acting Commissioner of Westrail today, and he indicated that Westrail is progressing that arrangement and that, hopefully, it will be in place as early as possible. This contract, like all other Westrail contracts, will be binding on the new purchaser.

Hon Mark Nevill also expressed concerns about the standard of the Kwinana-Parkeston track.

Points of Order

Hon KIM CHANCE: I seek your advice, Mr President. The response from the minister is on a Bill that is of a different nature to that which was debated in the second reading debate. In effect, we have seen a change in the policy of the Bill, at a time when the Opposition has had no opportunity to respond to that altered policy. The Opposition is well aware of the necessity for the policy of a Bill to be fairly represented in the issues which are raised at the committee stage, but it becomes extremely difficult for us to do that if the policy of the Bill has altered during the currency of the second reading debate.

The PRESIDENT: Order! Firstly, the Bill certainly has not altered at this stage. It may alter in committee in due course, if certain amendments are made and agreed to by the Committee. The minister, as I understand it from listening to his response, is referring to various matters that have occurred following issues raised by Hon Mark Nevill in his second reading address. My understanding is that he is responding to questions about what the Government may or may not do.

It is certainly available to the Government to introduce its own amendments during the committee stage to reflect whatever changes it, or any other member, may be proposing in respect of issues that are raised. While the minister's reply is certainly restricted to providing a response to second reading matters, it seems to me that he is doing that.

Hon TOM STEPHENS: With regard to the policy and scope of the Bill, the Labor Opposition has been regularly proscribed, in particular during the committee stages of a Bill, from moving amendments that are inconsistent with or outside the scope and policy of the Bill before the Chamber at the time. The minister is indicating during his concluding remarks on this Bill, which has been the subject of comprehensive debate, amendments that are clearly outside the policy and scope of the Bill as articulated by the second reading speech. At what point does the Chair have the opportunity to rule on these amendments that are being flagged? Is it in committee, in reference to what amendments can and cannot be moved in respect of conformity with the policy and scope of the Bill, consistent with previous rulings from the Chair, or is it at this point when these amendments are being flagged?

Ruling by the President

The PRESIDENT: Order! As I said earlier, the Bill before the House is the Bill that was the subject of a second reading speech and was discussed by various members, and the minister is responding to the matters that were raised during the second reading debate. The Leader of the Opposition is correct in saying that, in the past, issues have arisen in respect of the scope of a Bill under consideration, and in general terms those issues have been amendments that have been proposed that have been outside the scope of the Bill, and that rulings have been made on that matter. The time to raise the issue of an amendment that the Leader of the Opposition or a member believes is outside the scope of the Bill is when that amendment is moved during the committee stage. I can assure the Leader of the Opposition that the position of the Chair is consistent with previous rulings, some of which have been directed to the Leader of the Opposition. If an amendment is not within the scope of the Bill, it will be ruled out of order. I should, however, remind the House that there have been occasions when amendments moved in committee have been outside the scope of the Bill and the House has agreed to suspend the standing orders in order to allow those amendments to be considered by the Committee. That is an option that is available to the House.

Debate Resumed

Hon M.J. CRIDDLE: I do not think we are moving far from the policy that we have had all the time. We are talking merely about the structure of the purchasing company. Many of the issues I have raised were always in the conditions that we have expressed publicly on many occasions. I do not think we have moved far from that at all.

Hon Mark Nevill: Some were in the leasing agreement and have just been brought into the Bill.

Hon M.J. CRIDDLE: That is what I am saying. The policy that we had and that we have expressed about putting things into the lease agreement has been brought into the Bill to cover those issues, and it has been well and truly expressed widely.

In 1997, the Australian Transport Council agreed to certain objectives for service levels on the interstate rail network. Westrail and the Australian Rail Track Corporation are in the final stages of negotiating a wholesale access agreement that includes a commitment to cooperate on developing a program for meeting those objectives and an arrangement that will be suitable to both parties. As a start, Westrail is about to commence - people would know this - a \$46.6m work program to install concrete sleepers between Jaurdi and Bonnie Vale on the east-west line, and the Commonwealth Government has committed \$18m towards that part of the agreement. That is an indication that the arrangement will be put in place. I have agreed with Hon Mark Nevill that the upgrade of the Kwinana-Parkeston line to meet the ARTC's objectives will be a condition of the lease.

It will be done through a mechanism agreed to by Westrail and the ARTC. I understand Hon Mark Nevill is also proposing an amendment to incorporate it in the conditions of the legislation. That was previously part of the agreement; we would have put it in anyway. I anticipate that Westrail and the ARTC will conclude that arrangement before the sale, and the new purchaser will be required to honour it. There are also proposed amendments to ensure that the Kalgoorlie-Leonora line is maintained at least at its current standards. The Government had already made that a condition of the lease.

Hon Mark Nevill was also concerned to ensure that Westrail employees would not be disadvantaged by the sale and that the package offered to them was fair. I reiterate what I said previously: No Westrail employee will be without a job as a result of the sale and no employee will be forced to transfer to the new purchaser. I was talking to some people recently and the biggest danger is that there will be insufficient drivers. One of the aspects we must understand is that there is a real requirement for these people. We have downsized this operation over a number of years. The drivers that we have currently have done a great job. Discussions between the task force and the unions are well advanced and I reiterate my promise to the employees of Westrail Freight that a transfer package will be offered to them well in advance of the sale so that they can have time to make their decision as to whether to transfer. The sale of Westrail's freight business has been considered at great length by the Government and we are sure that it is the best way of guaranteeing the future of rail in this State.

In summary, the sale of Westrail's freight business is necessary and timely because a government-owned rail agency competing with privately-owned rail operators risks losing market share, profitability and capacity to invest and may eventually require taxpayer subsidies. Experience in other States and in New Zealand shows that private rail operators are prepared to invest in the network and grow the business. I reiterate that growing the business is the real issue.

Hon Ljiljanna Ravlich: Put the papers on the Table, minister, so we can see how you are going to grow it over the short and long terms. We have never seen anything on the Table. You should stay true to the word of your Government and put it on the Table.

The PRESIDENT: Order! Hon Ljiljanna Ravlich knows, as other members do, that I do not object every time an interjection is made; I do object when there are incessant interjections. The issue raised by Hon Ljiljanna Ravlich, which is a valid issue, is an issue for the committee stage because the minister can then respond to the member. At the moment he is making his reply to the second reading issues.

Hon M.J. CRIDDLE: Mr President, there is clear evidence that there is a growing task right across the whole rail network. The grain business out of Western Australia is expected to grow to something like 15 million or 16 million tonnes. There is clear evidence that there will be a requirement for the industry to grow.

Hon Ljiljanna Ravlich: Don't just give us your word, because it's not worth it. Just put the information on the Table.

Hon M.J. CRIDDLE: That has been clearly available throughout Western Australian regional areas and the wheatbelt for many months.

The sale removes the operational and financial risks from the Government, while retaining the Government's role in setting the policy environment, regulating rail safety and access, and controlling track standards through the lease. This is an opportunity to get more freight off the road and onto rail. It has become clear recently that that task is increasing. Western Australia is looking at about a 7 per cent rise in the road freight task every year. If we do not sell now we could be left behind. This is not a new or radical policy shift. The sale of Westrail's freight business is a logical step in a 20-year reform process to improve the State's land transport system for the benefit of industry and the economy of Western Australia. I am pleased that Hon Mark Nevill was prepared to discuss his concerns with me and that we were able to reach agreement.

Hon Ken Travers: You mean the backroom deal?

Hon M.J. CRIDDLE: It has been clearly open to every member on the Opposition benches and the other parties to suggest a way forward on this issue. Every member has had that opportunity. I am confident that the changes made as a result of those discussions are positive and that the passage of this Bill will mean that Western Australia will continue to have a railway system of which we can be proud. I commend the Bill to the House.

Question put and a division taken with the following result -

Ayes (14)

Hon M.J. Criddle
Hon Dexter Davies
Hon B.K. Donaldson
Hon Peter Foss

Hon Ray Halligan
Hon Barry House
Hon Murray Montgomery
Hon N.F. Moore

Hon Mark Nevill
Hon Simon O'Brien
Hon Greg Smith
Hon W.N. Stretch

Hon Derrick Tomlinson
Hon Muriel Patterson
(Teller)

Noes (13)

Hon Kim Chance
Hon J.A. Cowdell
Hon Cheryl Davenport
Hon G.T. Giffard

Hon Tom Helm
Hon Helen Hodgson
Hon Norm Kelly

Hon Ljiljanna Ravlich
Hon J.A. Scott
Hon Christine Sharp

Hon Tom Stephens
Hon Giz Watson
Hon E.R.J. Dermer (Teller)

Pairs

Hon B.M. Scott
Hon Max Evans
Hon M.D. Nixon

Hon Ken Travers
Hon N.D. Griffiths
Hon Bob Thomas

Question thus passed.

Bill read a second time.

Referral to Standing Committee on Estimates and Financial Operations

HON KIM CHANCE (Agricultural) [5.57 pm]: I move -

That the Rail Freight System Bill 1999 be referred to the Standing Committee on Estimates and Financial Operations and that the House direct the Standing Committee on Estimates and Financial Operations to inquire into and report on -

- (1) the effect of the conditions which have been agreed between the Government and the Hon Mark Nevill in respect of the Rail Freight System Bill 1999 generally, and specifically;
- (2) the impact of these conditions on the sale price of Westrail assets; and
- (3) the predicted level of future use of the Kalgoorlie-Esperance standard gauge line; and
- (4) the predicted impact of the sale of Westrail on the grain industry; and

- (5) the means by which the separation between the narrow and the standard gauge network's management will be structured; and
- (6) other matters relating to the proposed sale.

We learnt today that an agreement was reached between the Government and Hon Mark Nevill as to conditions which would permit the second reading to be agreed to.

Sitting suspended from 6.00 to 7.30 pm

Hon KIM CHANCE: The details of that agreement are before us in a somewhat sketchy form. I am relying on two media statements to spell out the detail, although during the dinner break I had an opportunity to peruse the amendments proposed to be moved by Hon Mark Nevill, and I have been able to bring myself more up to speed on that matter.

The absence of detail is noted and the Opposition has no objection to the process on that basis, because we are aware that we have time to consider the detail of the changes. However, having noted the short notice on the detail, we have had the material long enough to understand that it has a wide scope of detailed changes which involve specific undertakings with regard to the agreement which has been reached between the Government and Hon Mark Nevill. Some of those changes involve very specific undertakings and, indeed, some of those undertakings form part of the legislation itself in the amendments which have been notified. It is most unusual, for example, to see amendments, which obviously the Government hopes will ultimately become legislation, that go into details of axle tonnages and speed. I find that quite unusual in this day and age when we tend to write legislation in a more general manner. Because specific detail is involved in the changes, it is all the more reason for us, as a Parliament, to seek to question the outcome of those changes. When a specification is noted in fine detail, it becomes binding in that fine detail and provides little flexibility for this Government, or any future Government, to adapt that detail to circumstances which might change. Until it is altered, legislation must be assumed to be forever, and forever binding on the people of Western Australia. It is not until the people decide to bring back the legislation and change it that those conditions are altered. That is one of the reasons for review clauses in legislation after a given period, and why Governments tend to write legislation in a far more general sense and rely more upon regulation and administrative order to deal with the specifics. The Government has deviated from that principle on this occasion.

In noting that, I believe a reason is generated from that specificity of detail for these matters to go before a function of further review; by that I refer to the proposition in the motion that they should go before the Standing Committee on Estimates and Financial Operations so that the House can be informed of the outcome of those proposed changes. I refer to one aspect of that. There is a requirement in the legislation for the specific standards of the upgrading of three sections of the Western Australian rail network; that is, the Parkeston-Kwinana link, the Koolyanobbing-Esperance link, and the Leonora-Kalgoorlie link.

Hon M.J. Criddle: That is not really an upgrade.

Hon KIM CHANCE: I concede that the requirement for the Leonora-Kalgoorlie link is for a holding pattern rather than a specific upgrade. In each case these are standard gauge lines, and not narrow gauge. The legislation contains a high degree of specificity on the Koolyanobbing-Esperance line.

Hon M.J. Criddle: It is between Kalgoorlie and Esperance. It is the ACT standards on the track.

Hon KIM CHANCE: Proposed clause 12(6) refers to -

A proposal to dispose of standard gauge corridor land between Koolyanobbing and Esperance is to ensure that, if the holder of the land has a contract under which more than 3 million tonnes of freight per year are to be carried on the track between Kalgoorlie and Esperance -

The minister is right, but Koolyanobbing is referred to initially. The corridor itself is between Koolyanobbing and Esperance.

Hon M.J. Criddle: That is right.

Hon KIM CHANCE: Proposed clause 12(6)(a) states -

the railway track on the land is, within 2 years after the disposal or the making of the contract (whichever is later), improved over the whole length of the track between Koolyanobbing and Esperance to a standard suitable to allow rolling stock of a 23 tonne axle load to travel along it at a maximum speed of 80 kilometres per hour for an average speed of 60 kilometres per hour;

I know I should not refer to the clauses in this debate, but I did that to illustrate the point I am trying to make about specificity. In that specification the proposed amendments are referring to the highest standard of rail track maintenance in Australia. This is the Rolls-Royce standard.

Hon Mark Nevill: No it's not.

Hon KIM CHANCE: I quote from Hon Mark Nevill's -

The PRESIDENT: Order! As Hon Kim Chance acknowledged, he is getting perilously close to starting to debate the amendments that will be, or may be, debated if we ever get into committee. We are debating a referral motion. I understand

that Hon Kim Chance raised the issue to indicate this was one of the matters that needed to be discussed by the estimates committee. However, that is as close as we need to go; we do not need a committee debate at this stage.

Hon KIM CHANCE: Thank you, Mr President, but for the sake of veracity, I must acknowledge that Hon Mark Nevill's interjection was correct. The highest level in the two brackets of lines applies to the Perth-Kalgoorlie standard gauge line, and not the Koolyanobbing-Esperance standard gauge line. This indicates the lack of time I have had to prepare. Nonetheless, while it may not be the highest standard of rail preparation in Australia, it certainly is an extremely high standard, with 23-tonne axle loads to travel at a maximum speed of 80 kilometres per hour. I do not know whether sufficient work has been done in respect of the future of that line that we can be confident that that level of line standard will be warranted. I know there is a safeguard; that is, those standards apply only if there is a contract at 3 million tonnes or more per annum. I understand that. In other words, if the use of that line were to fall to a lower level, the line owner would not be required to comply with that part of the contract. The fact is that 3 million tonnes is actually quite a low level of use compared with what is being carried now. We have spoken before about the Koolyanobbing-Esperance link in respect of the Portman Mining Ltd contract and I am convinced, as I have said in this place for some years now, that the original contract in respect of Koolyanobbing Iron was one on which Westrail would always lose money and on which it could only ever recover costs on a cash basis. I have detailed the prices of that contract over the years in this place and do not intend to go back over them again. I believe that contract is one of the reasons for Westrail's poor financial performance during the period of this Government. However, there is no need for me to go into that in any great detail.

That is one of the financial issues which the Standing Committee on Estimates and Financial Operations needs to investigate. Will this proposition stand up or is it simply a proposition which may have some local political attraction in the goldfields but which makes no sense at all in terms of benefit for the people of the State?

Hon Mark Nevill: It makes more sense than the Alice Springs-Darwin railway, I'll tell you that.

Hon KIM CHANCE: Of course, the Alice Springs-Darwin railway line probably makes less sense than growing commercial pineapples in Antarctica. There is a problem with this line and I share Hon Mark Nevill's commitment to keeping it open because we recognise that it is a lifeline to the port of Esperance and to the goldfields themselves. However, I still feel that, save some short-term considerations, we need to ensure that the financial commitment which we are opening up with our commitment to that line makes sense in the long term. I do not mean it has to make money from year one or even year five.

Hon M.J. Criddle: Wouldn't that be a sensible arrangement if you linked it to the contract?

Hon KIM CHANCE: The linkage to a contract helps but I would like to know whether linkage to a single contract and linkage to a specific contract of 3 million tonnes is the right way to do it. I am not suggesting that this has not been done but I want to know that that has been carefully thought through. Why have we linked it to a specific contract at 3 million tonnes and not to the line's total tonnage? If the minister goes back to the original Bill, he will see there was a linkage. It was not spelt out specifically, but there was a linkage to whether the tonnage on the line warranted that kind of expenditure; there was a loose linkage to the total tonnage carried on the line. I do not know whether that will remain. I imagine it will because it must be relevant to other lines. Perhaps that specification underlies this specific provision in a general sense; I am not sure how the two commitments relate. Nonetheless, I am not saying it has not been thought through properly but the House needs to be convinced by a fairly thorough investigation of the matter by the standing committee. That is one of the key reasons for my proposing this motion.

We also need to understand how the debt which will be generated by the commitment will be handled even though it may not be debt which is carried by the public purse. It is implied that the debt will not be carried by the public purse.

Hon M.J. Criddle: The public purse is carrying all the debt at the present time.

Hon KIM CHANCE: The minister did not understand me and I did not put it very clearly. As I read it, the legislation implies that the debt which is generated by the upgrading of the line will not be carried by the public purse and that it will be carried by the effective owner of the line, the line controller if that is a fair term. However, I do not know that for sure and I would like it to be spelt out. Will there be any public assistance for the capital requirement which will be generated as a result of the upgrade of that or any other line? The legislation is not sufficiently specific to give me the answer to that question. Will there be public involvement? In the earlier debate on the Bill, we received a concession from the Government that it is entirely possible that public money could be called on to generate the expansion of new lines. I do not find that at all objectionable but we need to know who will be paying for what and under what conditions.

Hon M.J. Criddle: If Westrail signs a contract, the contract goes with the purchase price and it has the obligation to build the line if the purchase does not happen. That is what the discussion is about at the present time. It is quite straightforward.

Hon KIM CHANCE: We are talking about who will be the owner of the line or the line controller on, for example, the Kalgoorlie-Esperance line. I think we understand that there is a very significant capital requirement - perhaps around \$120m - to get that line up to the standard we are talking about.

Hon M.J. Criddle: It depends on whether you have secondhand line or new line, but it is between \$30-odd million and \$89m or \$90m.

Hon KIM CHANCE: Between \$30-odd million and -

Hon M.J. Criddle: It depends whether you have new or secondhand line and you can cascade them.

Hon KIM CHANCE: What were the figures? I did not quite catch them.

Hon M.J. Criddle: I think it is between about \$35m and \$80m. I will check those figures.

Hon KIM CHANCE: Between about \$35m and \$80m depending on whether new or secondhand line is used. I thought the figure was a little higher than that but, even so, it is a substantial sum.

Hon M.J. Criddle: We are talking about when it could happen.

Hon KIM CHANCE: As I understand it, that figure is over and above the already identified \$30m which is required as emergency maintenance on that line now. It is possible to take that figure out to over \$120m. Will a line on which that kind of investment has been made stand up commercially on the basis of a single 3 million tonne contract? Frankly, the answer is no. We know that the Koolyanobbing-Esperance contract returns \$11.50 a tonne.

Hon M.J. Criddle: There is other product on the line.

Hon KIM CHANCE: Okay, but it is something I would like to see spelt out very clearly. I also want to know something else which is absolutely crucial: What will be the impact on the sale price of Westrail's assets if the standard gauge interstate line is separated from the narrow gauge network? We have been told over time by government, by the task force and by numerous other people connected with this that removing the prize of the standard gauge interstate link from the rest of the network would effectively make the balance of the network unsaleable. Take out the plum and nobody wants what is left over. If that is so, why is it saleable now? It is obvious that I have no objection, I have stood up here for hours advocating that there should be a separation. I believe absolutely that there should be separation of the standard gauge interstate network. Members should not think that I have shifted ground here because I have not, but I want to know why the Government has.

Hon Mark Nevill interjected.

Hon KIM CHANCE: I will not repeat that as it should not go on the record.

If it was not a viable option when we were debating the Bill to hive off the standard gauge interstate link because that would make the narrow gauge network unsaleable, why is it a viable option now? I do not understand that, and that is a matter on which the Parliament needs to be fully informed before it makes a decision of this nature. The reason that we should be concerned about that matter is that the livelihood of virtually the whole of the grain industry in Western Australia depends upon the continuing existence of the narrow gauge network. It is, therefore, no surprise to me that the largest group of people who have opposed the sale of Westrail is the grain growers, who depend so heavily on the narrow gauge network.

I want to take issue with an aspect of today's media statement from the minister. I need to keep referring to these media statements, because that is basically all we have in the way of a matrix to which to respond.

The PRESIDENT: Order! Is this relevant to the referral motion?

Hon KIM CHANCE: Absolutely, Mr President. The fourth paragraph of the minister's media statement reads -

"Mr Nevill has demonstrated a very real understanding of the need to sell Westrail to a strong private rail operator, and a strong commitment to the needs of regional Western Australia, during the negotiating process," Mr Criddle said.

One of the reasons that this matter should be referred to the Standing Committee on Estimates and Financial Operations is summed up in that statement. I am not saying it is untrue, but it is not correct in the full sense of the word for the minister to say that Hon Mark Nevill has a strong commitment to the needs of regional Western Australia when the largest group of rail users in regional Western Australia - the grain growers - have consistently opposed the sale.

Hon M.J. Criddle: Which ones?

Hon KIM CHANCE: The grain growers, who are represented by a single organisation in this State, the Western Australian Farmers Federation.

Hon M.J. Criddle: Are you saying that everyone in that organisation agrees with that statement?

Hon KIM CHANCE: About as many members of that organisation would agree as would members of the National Party, because they tend to be the same people.

Hon M.J. Criddle: Do you know how they concluded the vote?

Hon KIM CHANCE: Members of the lay party actually ring me up and tell me what they think about the sale of Westrail. They are not real keen on it; and the further out they are, the less keen they are about it. Has this ever been discussed at the National Party's conference?

Hon M.J. Criddle: We have discussed it regularly. There has been plenty of discussion about it, and at our last council meeting there was a very interesting discussion.

Hon KIM CHANCE: I am pleased to hear that. The fact is that the Western Australian Farmers Federation, which is the only organisation in this State which can legitimately claim to represent grain growers, has consistently opposed the sale of Westrail.

Hon M.J. Criddle: Its executive has consistently opposed it.

Hon KIM CHANCE: The executive can be called to account by its membership at any time on this matter, and I am not sure that it ever has been.

Hon M.J. Criddle: That is an interesting statement. Its executive is having an interesting time, and the reflection of that is the forthcoming presidential election.

Hon KIM CHANCE: We will leave the good members of the Farmers Federation to make a judgment on that matter. The fact is that the line from the federation on this matter has been consistent. There is no doubt that the federation represents the majority of grain growers. All of the five Western Australian seats on the Grains Council of Australia are held by the Western Australian Farmers Federation. Not a single seat on the Grains Council of Australia is held by the Pastoralists and Graziers Association of Western Australia. There is no question that, in a legal sense, the federation is the representative of grain growers in Western Australia.

Hon M.J. Criddle: It certainly was.

Hon KIM CHANCE: That remains the case, because those five seats are calculated annually.

Hon Dexter Davies: Some of us say that in the true sense of the word - the full sense of the truth - quite a few grain growers out there are represented by other people, and also there are members of the Farmers Federation who do not agree; so some do not agree, but there are plenty who do.

Hon KIM CHANCE: Certainly, and I am sure that is also true of the National Party. However, that does not detract from the fact that the consistent line from the Farmers Federation has been one of opposition. The federation is not, of course, opposed to the concept of competition, and its evidence to the committee was quite clearly that it is keen to see increased competition where that can be generated. In fact, its evidence suggests that the federation welcomes competition, as does the Opposition. We all believe there should be more competition where it can be of benefit. The Farmers Federation's evidence has indicated it is opposed to a private monopoly. Nothing in these proposed amendments to the Bill does anything to take us away from the concept of a private monopoly. There is no pro-competitive change in these amendments.

Hon M.J. Criddle: That is what they are designed to do.

Hon KIM CHANCE: Perhaps the minister can explain that, because in the time that I have not had to look at this proposition, I have not seen any pro-competitive change anywhere in these amendments. The separation of the narrow gauge from the standard gauge may provide increased opportunities for competition on the standard gauge but, to the extent that it may provide that, it will detract from the possibility of greater competition on the narrow gauge.

Another reason that we need to look at this question again is that many of the arguments that were presented to us by the Government in rebuttal of the issues that we raised in debate on the Bill have now been turned around. For example, it has been argued that it is essential to deal with the grain industry, which is a user of both the narrow and standard gauge networks, as a single unit; and we heard that not only from the Government but also from Co-operative Bulk Handling Ltd. What we are doing here is separating the two concepts. We may well have different providers within the grain industry. Therefore, an argument that was used against us has now been completely turned around. I am not saying the Government is wrong in this proposition. All I am saying is that we have not had a chance to look at this, and that is a reason that this matter needs to go back to the committee so that it can at least have a look, even a superficial glance, at the legislation and its possibilities to see why the Government's argument was right the first time and remains right the second time even though that advice is now 180 degrees different. The House needs to be informed on that matter.

The financial viability of Westrail, in particular its rapidly growing debt which we have experienced under this Government's management, has been presented as a reason for the sale of Westrail. Indeed, it is a key reason for the sale that is identified in Hon Mark Nevill's media statement of today's date. We need an investigation by the select committee to probe why the Government and Hon Mark Nevill believe that the private sector will be less burdened by debt than is Westrail. If a debt is a problem to a business, it will remain a problem to that business even if it changes hands, unless the new owner of that business is significantly cashed up.

Hon M.J. Criddle: They are buying the operation, not the debt.

Hon KIM CHANCE: I understand what the minister is saying, but the debt does not evaporate as a result of that.

Hon M.J. Criddle: No.

Hon KIM CHANCE: Is the minister suggesting that the debt just goes into a holding operation?

Hon M.J. Criddle: No.

Hon KIM CHANCE: The minister said that they will be buying the operation, but if we will be relieved of the debt and they will be relieved of the debt, where will the debt go?

Point of Order

Hon B.K. DONALDSON: I am becoming more and more confused. It seems that we are almost in the committee stage of debate in this House. I say that because I want some clarification. We are continually told about these so-called

amendments. They are only proposed amendments. The argument has already been put that the policy and principle of the Bill has been changed in anticipation of amendments. The question was put by you, Mr President, that the Bill be read a second time. That was after the minister had responded to the remarks during the second reading debate and indicated that the Government was prepared to make some changes. Whether the minister responded to a particular member or members is irrelevant. He responded, and I would have been disappointed if he had not. In light of the concerns that were raised, the Government has made those anticipated moves.

The PRESIDENT: What is the point of order?

Hon B.K. DONALDSON: I believe that on this motion of Hon Kim Chance, we are almost discussing the proposed amendments, and he is trying to say that a committee - not the Committee of the Whole House - should examine this matter because he feels that the policies and principles of the Bill have been changed. In the six-and-a-half years I have been in this place, I have heard questions put, and I have seen amendments from not only the Government but also members of the Opposition and minor parties in this House which have emasculated Bills and changed their policy and principle. I am concerned about where this debate is leading.

The PRESIDENT: I understand the point of order and I understand the extended point of view. Hon Bruce Donaldson is right. Hon Kim Chance has digressed from the specific area that should be spoken about in a referral motion. I must also say that the interjections to which Hon Kim Chance is responding are not helping the situation; they are inviting him to move off on a tangent. We have all been here a while, and we know that on a referral motion, especially one as broad as this, when one looks at the terms of reference, there will be a need to relate to things said during the second reading debate and the reply. The occasional reference to a proposed amendment can be relevant if it is designed to reinforce why the Bill should or should not be referred to a particular committee. However, I do not want the debate to become so wide that we start exchanging views on whether or not the railway should be sold. That matter has already been discussed in the second reading debate. I understand that Hon Kim Chance now wants a committee to consider some issues that have either arisen since the second reading or that, because of changed circumstances, require additional consideration. Hon Kim Chance knows the rules. He was sticking to the rules by mentioning the referral motion every so often, but he was being invited to move off on other tangents. I will apply the same rules to everyone else, and it could be a 20-hour debate. I am interested in knowing why the Bill should or should not be referred to this committee. I am sure that the committee will consider all the other policy issues in due course if the Bill is referred or they will be considered in the Committee of the Whole House.

Debate Resumed

Hon KIM CHANCE: In any reference of a Bill of this nature to the Standing Committee on Estimates and Financial Operations, there are three considerations - debt, sale price and service. The first two of those, debt and sale price, are relevant to the Standing Committee on Estimates and Financial Operations. I suppose it is arguable that service questions may not be. However, the matter of debt is a key question. The point I was making before the point of order was raised by my friend Hon Bruce Donaldson related to whether debt - and the burgeoning debt - was a key reason driving this sale. The minister has made it clear that it is a key reason. Hon Mark Nevill clearly agrees with the minister. I am not disagreeing. All I am saying is that if debt of this scale is a problem for Westrail, why will it not be a problem for anyone else, because that debt must still be serviced. If a debt is serviced, one must charge for the servicing of that debt or go broke. It is simple commerce. One does not change the rules of commerce by getting rid of an asset.

Hon Derrick Tomlinson: You can retire debt.

Hon KIM CHANCE: It can be retired, which is an interesting proposition. Indeed, the Burke Government retired a substantial amount of Westrail's historic debt. It was that which put Westrail on its road to recovery. Retiring the debt simultaneously with the sale of the asset is an interesting proposition. That means that the asset can be operated in the public interest.

Point of Order

Hon M.J. CRIDDLE: I think that once again we are straying from the motion.

The PRESIDENT: I was just about to call Hon Kim Chance to order. Many of the issues being raised are matters that the committee will no doubt pursue in due course. The first thing we must do is to decide whether the Bill should be referred to the committee. Canvassing every issue that the committee might consider is going too wide in this debate. Therefore, let us stick to the specific referral motion, because I know others want to speak on whether the Bill should or should not be referred.

Debate Resumed

Hon KIM CHANCE: Thank you, Mr President. I was about to draw to a logical conclusion on that issue. If it is planned to sell the assets of Westrail at a lower price than its debt, that would seem to be one way of achieving what has been proposed, in that the new owner can come in relatively relieved of a debt burden. If that is the proposition, that should be looked at by the committee, because it lies at the core of what the Standing Committee on Estimates and Financial Operations was established to do. This is public money. We know from Westrail's evidence given in a public place that the cash cost of its assets represents a value of \$5b. We know that the freight division consists of a significant portion of that. We know that the freight division's debt is a figure of almost \$700m. How much will we be asking for that value, and how much of that debt will be recovered? I do not know how much more basic I can make it. If the Parliament does not

know the answer to that question, or has not got a pretty good idea what the answer to it might be, it has no damned business passing this Bill in any form, whether it be in the modified form we have here, which is probably an improvement on the original, or whether it be in its original form, because we are not the owners of the asset; the people of Western Australia are.

I believe that the Standing Committee on Estimates and Financial Operations can help us in that determination, because I see logical inconsistencies all over the place in this issue, and we should all be extremely concerned. While on the issue of the Standing Committee on Estimates and Financial Operations, I note that it is one of life's ironies that the chairman of that committee is Hon Mark Nevill.

Hon Derrick Tomlinson: And a good one too.

Hon KIM CHANCE: He is a fine chairman. We would not find a better chairman, perhaps outside the Standing Committee on Public Administration.

Hon Derrick Tomlinson: Or perhaps the Standing Committee on Legislation.

Hon KIM CHANCE: I am not sure how Hon Mark Nevill would deal with an inquiry of this nature, given that the reference specifically mentions his name. He may want to think about standing aside.

Hon Mark Nevill: I think it is a job for the Chairman of Committees.

Hon KIM CHANCE: Probably it is. I mentioned that in passing because I expected the matter to be raised by way of interjection. I do not intend any reflection on Hon Mark Nevill's chairmanship nor on the membership of the standing committee.

Hon Derrick Tomlinson: Why did you reflect?

Hon KIM CHANCE: We did not reflect. We simply said that Hon Mark Nevill might want to consider his position and, given his acute understanding of the proprieties of committee functions, he may already have thought of that.

Hon Derrick Tomlinson interjected.

The DEPUTY PRESIDENT: Order interjectors, you are leading the speaker astray.

Hon KIM CHANCE: We note that Hon Mark Nevill indicated that the Australian Rail Track Corporation will be able to bid now for the standard gauge component of the network. His media statement indicates that the Australian Rail Track Corporation bid will underpin the sale of Westrail's freight operations. We are left to presume that the underpinning is of a financial nature as there is no indication of the precise nature of the underpinning and how it will occur in the rest of his media statement, nor in the Minister for Transport's media statement, nor in the legislation. I have suggested that there is a financial downside to the value of the remaining assets of Westrail once the prize - the standard gauge line - is removed. I doubt that anybody would seriously dispute that there is a financial downside. It is represented as an underpinning of the asset, at least in the way Hon Mark Nevill has indicated, which I presume means a financial underpinning. In the absence of any other meaning -

Hon Mark Nevill: The letter that the ARTC wrote last year making an offer became a benchmark.

Hon KIM CHANCE: Hon Mark Nevill has clarified the financial nature of that underpinning and I thank him for that. However, I believe that that factor is something that the standing committee must consider. It must be able to report to the Parliament the effect of these amendments on the sale price of the asset as a sub-sector of the broader issue.

Some of the issues I have raised about the changing relativities of value, given the former format of the Bill compared with the amended format, involves such detailed and possibly highly confidential issues that it would be difficult, if not impossible, for us in the Parliament to deal with. The confines of the Standing Committee on Estimates and Financial Operations, where confidential information can be taken and kept in confidence, may be the appropriate place to consider those issues in their proper perspective. I imagine that some matters could not be divulged openly in Parliament; however, through the filter of the standing committee, they could be extremely helpful to the committee in the guidance it may be able to give to the Parliament once the Parliament has confidence that the committee has had access to those figures.

I acknowledge what the minister said about the growth of road transport competition. There has been significant growth in the amount of grain carried by road transport in Western Australia. I remain uncertain about whether this will continue at current fuel prices because that is entirely another matter.

Hon Greg Smith: Fuel will be cheaper when the GST comes in.

Hon KIM CHANCE: We know it will not be cheaper.

Hon Greg Smith: It will be 27¢ a litre.

Hon KIM CHANCE: If Hon Greg Smith talks to commercial road transport operators right now, especially those located in regional areas, they will give him an idea of how much more their fuel will cost.

Point of Order

Hon M.J. CRIDDLE: I raise a point of order. Hon Kim Chance is way off the mark.

The DEPUTY PRESIDENT: Order! Hon Kim Chance will direct his comments to the Chair on the motion before the Chair rather than to interjections from the floor.

Hon KIM CHANCE: Of course I will, Mr Deputy President.

Debate Resumed

Hon KIM CHANCE: The fact of increased road transport and increasing competition from road transport is not in dispute. We are at odds about the ability of a private monopoly to perform better than Westrail in winning back that freight to rail. I believe that is relevant to the Standing Committee on Estimates and Financial Operations in the assessment it will make for the assistance of Parliament to determine whether the amendments - the new format of the Westrail sale - will make the rail operator more or less competitive vis-a-vis the original Bill, as I am not at all sure that the outcome will be a more competitive rail system. I am not at all sure that the original Bill would have been able to deliver a more competitive rail system.

Hon E.R.J. Dermer: Surely that needs to be thoroughly investigated by the committee

Hon KIM CHANCE: Exactly, at least as to its relevance to the outcome of the original Bill, as value judgments have been made about the absolute terms of a private or public monopoly. However, I believe the standing committee could provide some useful information about the original Bill and the amended Bill. It is Labor's argument that a private monopoly will be more inclined to abandon marginal or loss-making services in order to maximise its advantage in services on which it can make money. Indications show a strong possibility that under this proposed regime there will be even more incentive for a private monopoly owner to shift its resources in the way I have just described than there would have been under the original Bill. I say that because there is a range of permutations but very few of them indicate that an operator will have more flexibility as a result of these amendments than it would have had under the original Bill. I believe the amendments actually restrict the flexibility of a private owner. I do not have to state my reasons for believing that because the Government has already stated those reasons in rebuttal of our arguments in the debate on the Bill. I am definitely not going to return to those arguments. All I ask is for the Standing Committee on Estimates and Financial Operations to make its own assessment about the relativities of the two Bills.

In summary, I believe the standing committee must look at a range of issues. The first of those, although perhaps not the most important in absolute terms, is whether the standing committee can advise the Parliament on issues relating to the sale price. We are coming to a crunch, assuming the Government manages to get this Bill passed ultimately, when the Bill becomes an Act and the Government becomes free to dispose of Westrail under the formats it has provided to us. At that time we should have a clear idea of the price. I am obviously not asking the minister to disclose that, but he should know what price was achievable under the old structure, what price might be achievable under the proposed structure and whether there is any difference between those two prices.

We tend to argue this issue on the basis of the interests of current and future users and on Westrail Corporation - the corporate entity itself - forgetting that in doing that we are leaving aside the other 99 per cent of Western Australians who have a common interest in this matter as the owners of the asset. Their common interest is the \$5b that has been poured into the establishment of this asset, which we in our wisdom are now proposing to partly sell and partly lose control of. The sale price is a crucial issue. It may not be the first issue that appears in the mind of a mining company executive or grain grower who will be relying on Westrail services in the future. However, for the majority of Western Australians, the only interest they have in Westrail is that it represents their asset, and they want to know whether they will be adequately recompensed for it. I do not think a Parliament can ignore that. We can place priority on industry and on the industrial users of the asset and their future and Westrail's corporate future. That is quite proper. However, we must recognise that another large group of people in the community also have at least a secondary interest in this and that interest revolves around the sale price of the asset.

It is a matter which concerns the financial operations of Western Australia and in which the Standing Committee on Estimates and Financial Operations has a legitimate interest. We must understand, if not how much will be paid for the asset, whether it will be increased or decreased in value due to the possible adoption of these amendments. I do not have a particular view either way. However, the Parliament should know what will be the outcome of that.

We must also know - the standing committee should be charged with the responsibility of providing information to Parliament on that matter - whether the Koolyanobbing-Esperance commitment is achievable and whether, in view of the history of the Portman Mining Ltd contract, we are not dealing with a lot of hot air when we talk about the commitments we are putting so specifically into the legislation.

I do not believe that the Koolyanobbing iron ore contract is a sound basis on which to base anything. I think it would be in or out of the contract at the flick of a switch because the economics of the operation are so marginal that the mining and shipping operation would not survive if commercial freight rates were charged for the transport of iron ore to Koolyanobbing.

Hon M.J. Criddle: It is interesting.

Hon KIM CHANCE: It is an argument I have put previously. If the minister worked out the free on board price of Koolyanobbing iron ore from Esperance and applied the grain freight contract price to the iron ore movement, he would end up with a deficit. As a State, we are losing money hand over fist as a result of taking the last bit of iron ore from the South West Land Division.

The Standing Committee on Estimates and Financial Operations should examine whether grain freight customers will be left in the cold due to these changes. I can see that that might be pushing the edge of the standing committee's charter because it is very much a service matter; it does not concern sale price or debt. However, it is something the Parliament will want to examine in great detail in the Committee of the Whole stage since we have not had the opportunity of arguing this matter in a second reading debate. The Bill changed after the second reading debate, so we are trying to find some way of dealing with the issues raised by these changes. I hope that the standing committee will at least take something of a look at what the outcome will be for people who rely most on the continuation of a viable freight operation in Western Australia - members should make no mistake about this - wheat growers, not miners.

The final issue I hope the standing committee will examine is the effect of the proposed separation of the standard and narrow gauge operations in the terms spelt out before us in the legislation. From the short opportunity I have had to go through the detail in the amendments, on which I will not dwell, the separation procedures look all right, but the issue is not something I want to make a decision on immediately. I would appreciate hearing advice on it from the standing committee.

I hope I have kept within standing orders in presenting my arguments. It is not the easiest thing to do, given the narrow confines of a debate of this nature. I hope you, Mr Deputy President, and Mr President are able to understand the situation we face; that is, we are at the point of debating a rather different Bill from that which we had the opportunity of debating in the second reading stage. I certainly understand Mr President's ruling on the matter and obviously agree with it. However, the fact is that substantial changes are proposed to the way this Bill will be expressed in law since we debated the second reading speech.

HON MARK NEVILL (Mining and Pastoral) [8.26 pm]: I oppose this motion. The Standing Committee on Public Administration previously examined this matter and reported on it in great depth. I think the vast majority of issues listed were thoroughly covered by that committee, which was chaired by Hon Kim Chance. I think he covered most of the issues in this debate and I expect a contribution from the Greens and from the Democrats. More than that would be a needless spinning out of the debate, if that strategy were pursued.

The issues raised in point (1) of the motion can be adequately dealt with in the Committee of the Whole stage. With respect to point (2), there is no doubt that the assets will be improved as part of this process. One of the benefits of upgrading a standard gauge rail is that if 60-kilogram rail is put on parts of the east-west line, 47-kilogram rail could be cascaded onto the Esperance line, which would then free up 41-kilogram rail to go on the wheat network. If it were started at the wheat network, second-hand or new rail would have to be found and it would have to be resleepered. The cascading benefit of moving down through the systems will benefit the narrow gauge system.

Point (3) is the predicted level of future use of the Esperance standard gauge line. Predicting future use is very difficult. One of the problems with railways is the chicken and egg scenario: If a railway is upgraded and that results in faster turnaround times, greater capacity and so on, many projects then become economical. If the railway is upgraded very slowly, usually it will deteriorate very quickly. This upgrade will stimulate the use of that line.

Portman Mining Ltd has been exporting between 1.5 million and 2 million tonnes of iron ore each year. It is looking to increase that in the interim to 3 or 4 million tonnes and in the long term to 6 or 8 million tonnes. The company will require a track of a certain standard to carry those tonnages and to achieve turnaround times that will make it economical, which, in turn, will secure jobs. Other companies such as Anaconda Nickel Ltd will be shipping sulfur and other products through Esperance in very large quantities. That will be a major corridor for rail traffic. However, again, it is the chicken and egg scenario: We must upgrade the track to a certain standard. Three or four years ago, Westrail wanted to close it down. It is in appalling condition at the moment. Recently there was a derailment at Salmon Gums and the cyclone caused 22 washouts. We must either bite the bullet or close it down. We cannot export iron ore over that track and service the massive developments in the north eastern goldfields. It is much better to ship product in and out of Esperance than it is to rail it to Kwinana through the metropolitan area to the goldfields. I was at a meeting in Southern Cross last week with the shire council, which was enthused about having a choice between shipping wheat out through Esperance or Kwinana. That will lead to a competitive benefit.

Hon Kim Chance was concerned about spending money on this line on the basis of a Portman Mining contract. The minister has announced an upgrading program that will bring the track up to a certain standard. Presumably the Portman contract will trigger that upgrade to achieve those important efficiencies on that line. Portman is not a tin-pot company - it is very cashed up as a result of selling its coal mines in Queensland. I do not think its commitment can be doubted. It is building a \$6m or \$7m shed at Esperance for the iron ore and it will be able to accommodate 105 000 tonne ships in Esperance port by dredging the sand out of the harbour - there is no rock - and the deep water is about 500 metres off the end of the pier. That cannot be done at Kwinana because the entire Parmelia channel would need to be dredged, and that would cost an enormous amount of money. That company intends spending \$40m or \$50m on infrastructure to facilitate the export of iron ore. That is a permanent commitment. The company would not be spending that money if it intended to do nothing. It has markets in China and I do not think it would be going ahead unless it had some solid contracts in place.

It is hard to say what will be the impact on the grain industry as a result of the sale of Westrail. Much more rail will be available to put into the standard gauge line as a result of these two upgrades.

My understanding is that South Australia has experienced a 10 per cent reduction in grain freight rates since its service was taken over by Australian Southern Railroad Pty Ltd. A lot of apprehension is evident in the work force in Kalgoorlie about Australian Southern Railroad taking over the operation because of its perceived employee relations policy. We hope it will

be only one of three, four or more bidders, and we hope that the successful bidder will be progressive in dealing with employees. The purchaser of Westrail freight will need every employee currently in the bush - I expect a few East Perth office employees may not be needed - as there is a shortage of locomotive drivers and experienced railway people. Those working in the rail industry, like those in shipping and mining, like the lifestyle and want to stay in the industry; therefore, it is important that whoever wins the tender strikes a good relationship with the work force to achieve improved productivity.

The rail network needs a massive injection of capital, and I cannot see it happening by means other than this sale. I am not enamoured with privatisation, but I have explored the other avenues -

Hon Cheryl Davenport: You could've fooled us.

Hon MARK NEVILL: Alannah MacTiernan and Megan Anwyl put out statements today that I was elected on a privatisation platform. The Government wanted to privatise half the Dampier to Bunbury gas pipeline, but the Labor Party insisted on 100 per cent privatisation. The Labor Party led the push for privatisation in WA with those concerning BankWest and the SGIO. I opposed those moves in Caucus - I still do. However, we have a very different situation with AlintaGas and Westrail with third-party competition under the national competition policy. Westrail would be cut to shreds without privatisation.

Hon Cheryl Davenport: They will still be monopolies.

The DEPUTY PRESIDENT: Order! The member should address the Chair rather than the interjectors.

Hon MARK NEVILL: I would agree with Hon Cheryl Davenport if the Government had the Bill in its original form, but that matter has been addressed to the best of my ability. I would not suggest that I have everything I want in this measure as it is more a meeting of minds.

The other issue in Hon Kim Chance's motion is the structure of the standard gauge network company, and the fact that one company will operate the standard gauge rail network and another company will operate the narrow gauge line and can also operate trains. However, a holding company will be above both those operations. The standard gauge company will be ring-fenced, and the Bill contains provisions to tighten up that arrangement as much as possible. The structure will also depend upon whether one company will buy all Westrail freight, or whether the Australian Rail Track Corporation in a joint bid with another company will purchase Westrail freight. If ARTC is party to a bid, its main interest will be in the east-west line. I do not know whether it will manage the second company or some other structure will apply as that is up to the corporation and its imagination.

I would like to see ARTC operate. It runs the rail line between Albury in New South Wales and Kalgoorlie, upon which we have seen aggressive competition, big investment in the track and a downward pressure on track access fees. It is a big success. It is an example of a government corporation working extremely successfully. One of the conditions of my support for this Bill has been to allow ARTC back into the bid. The structure will depend upon who is the successful bidder. If it is ARTC, and not a private rail operator, how will it be structured internally? I do not think one can second guess how it will pan out. That covers the issues there. I do not think much can be gained by referral to a standing committee. That has already been done. We have had a very comprehensive debate. The impact of this committee at best would be marginal. Therefore, I will be opposing the motion.

HON LJILJANNA RAVLICH (East Metropolitan) [8.41 pm]: I support the motion. It is a very sad day for Western Australians when the Government has chosen to go down this path when it has done a deal with Hon Mark Nevill on the sale of Westrail freight. It does not come as any surprise that Hon Mark Nevill does not believe that much is to be gained by taking this matter to the Standing Committee on Estimates and Financial Operations. After all, Hon Mark Nevill is the chair of that committee. His views have already been put on the public record.

However, many Western Australians would benefit enormously from the work of the committee and from having access to the details of the Government's proposal. This is another privatisation which may go through this place and for which there will be little accountability. For a Government that purports to be accountable to Western Australian taxpayers and this place, the Government is particularly shallow; it is big on rhetoric and little on action. This is no more clearly demonstrated than by the actions of the Government in coming to the determination it has with Hon Mark Nevill that it should proceed down this path and privatise Westrail freight.

The Court Government must explain why it is selling off Westrail freight, a very valuable asset, when at the same time it is running a budget deficit in the order of \$620m. This Government prides itself on a record of good financial management.

Point of Order

Hon M.J. CRIDDLE: The member is nowhere near the point at issue.

The DEPUTY PRESIDENT (Hon J.A. Cowdell): The member will relate her comments to the motion before us, which is the worth of sending this issue to a committee.

Debate Resumed

Hon LJILJANNA RAVLICH: Thank you, Mr Deputy President. Contrary to the minister's point of order, this is a fundamental question. It is fundamental to Western Australians to understand why this asset is being sold.

The DEPUTY SPEAKER: Order! It may be a fundamental question, but it is not the question that is fundamental to the motion before the Chair.

Hon LJILJANNA RAVLICH: Thank you, Mr Deputy President. The Government is selling off an asset which is generating in the order of \$43m profit annually. I understand that the debt level on the asset is in the vicinity of \$700m. The minister will correct me if that is not the case. It would be interesting to find out the liabilities associated with this asset. We canvassed this issue during the AlintaGas debate. I asked that financial details be provided to this place, and they were not. The Standing Committee on Estimates and Financial Operations would be the absolute place at which some of this financial detail could be obtained.

Point of Order

Hon M.J. CRIDDLE: Nothing in the six points in the motion relates to the point the member is debating.

The DEPUTY PRESIDENT (Hon J.A. Cowdell): There is no point of order, particularly with regard to part 6 which says "other matters relating to the proposed sale". That is covered by the relationship to which the member is alluding.

Debate Resumed

Hon LJILJANNA RAVLICH: I cannot believe the arrogance of the minister in saying that the Western Australian public and this place do not have the right to look at the finances of the proposed sale. That is an absolute affront.

Hon M.J. Criddle: I have never said that.

Hon LJILJANNA RAVLICH: I just made a point about the finances and the minister took a point of order, saying that it did not fit within the terms of reference of the motion now before us. If the minister reads the motion, he will see, as the Deputy President has pointed out, that point 6 refers to other matters relating to the proposed sale. The minister stands on a fairly fundamental principle - that is, accountability in government - yet he brings this proposal to this place without any cost benefit analysis being demonstrated to this place.

Hon M.J. Criddle: Rubbish!

Hon LJILJANNA RAVLICH: The minister should not say rubbish; he knows it is not rubbish because we have not seen a cost analysis. This is an area which the Standing Committee on Estimates and Financial Operations can spend some of its valuable time considering. That is a fairly fundamental and critical issue. At the end of the day, how do we know, as Western Australian taxpayers, that the Government has made the right decision in this instance?

With all the Government's asset sales, be they SGIO, State Print, BankWest, FleetWest or the Dampier to Bunbury pipeline, a cost benefit analysis has not been tabled in this place. No financial information has been provided to the Parliament; yet we are supposed to be like sheep and just follow the minister blindly wherever he chooses to go. He wants us to believe that because he says that it is good for us, it will be good for us. He knows that it is not good for us and there has been no demonstrated benefit from this Government's privatisation policies. The Estimates and Financial Operations Committee would have a considerable amount of information which would be of interest to it, particularly the question of how the Government reached the determination that this was the proper way to go.

I was in the corridor today and I spoke to another member who had been in contact with the Western Australian Farmers Federation, and I understand that it is absolutely furious. The minister should not laugh, because at the end of the day the Western Australian Farmers Federation is a body which the minister purports, as a member of the National Party, to represent. Between him and Hon Mark Nevill, who is also a regional member, they have let down their constituents very badly. Having said that, the minister has a responsibility to provide the information to this place so they can make an informed judgment.

The first term of reference of this inquiry is the effect of the conditions which have been agreed to between the Government and Hon Mark Nevill. This set of conditions must have been agreed to fairly late yesterday afternoon. The minister might like to advise us when he made this agreement. The minister makes no response. It is what one would expect. The deal must have been done last night or some time this morning. I have been in this place since Tuesday and I have no idea what conditions have been agreed to. I have no idea what impact they will have on the proposed sale or what the long-term impact will be for Western Australians, particularly those in regional areas. The Standing Committee on Estimates and Financial Operations has a vast job in front of it in order to make an assessment vis-a-vis that which has been agreed to by the Government and Hon Mark Nevill. It needs to look at what options were discussed between the Government and Hon Mark Nevill, and to receive opinions from other people. Although Hon Mark Nevill just made a statement that he did not get everything he wanted in the deal with the Government, many Western Australians feel that they did not get what they wanted; frankly, a lot of Western Australians have been let down. I see Hon Bruce Donaldson shaking his head. I would like to tell Hon Bruce Donaldson that it will be -

The PRESIDENT: Order! Hon Bruce Donaldson will come to order and the member will address the Chair rather than Hon Bruce Donaldson.

Hon LJILJANNA RAVLICH: It is disappointing that a member who represents the regional areas is shaking his head, suggesting that all is well. Government members have let down their constituents badly. Members on this side of the House will fight for the rights of workers. We will fight for what we can salvage out of this mess, which is the making of this Government. I continue to have grave reservations about the impact of what is proposed by this Government, particularly

on the employees of Westrail. This is yet another crucial area that can be looked at by the Standing Committee on Estimates and Financial Operations. Although the Government maintains that all is sweet and everyone will be looked after, I spoke to members of the Public Transport Union late this afternoon. They advised me that at 2.50 pm today they were being entertained by these people and the deal had already been done. I hope it is nothing like the deal that was done over benefits for AlintaGas employees, for which Hon Mark Nevill signed on the dotted line and came into this place purporting to represent the interests of workers and said that everything was hunky-dory and there was no problem, because we now find that there are still matters yet to be resolved.

How can we take what is presented by this Government as fact when all our consultations indicate that that is not the case. I am concerned about the interests of Westrail freight workers. This is an area which must be considered at length by the standing committee. I would like to see some members of the Westrail freight workforce, particularly regional employees, front up before the committee and put forward some of their concerns over the sale of Westrail freight. I know that they have a number of concerns, for example, over the potential new conditions of employment. They understand that if there is a transfer of staff, it will happen by September. If that is the case, how far down the line in the process has the Government gone? Is it already negotiating with the potential buyers for Westrail freight? It probably is, and the company Genesee and Wyoming Inc seems to ring a bell. Perhaps the minister will give us the information on whether that is the preferred bidder in this arrangement. If my sources are correct, there will be a transfer of staff very quickly. Some of that information could be looked at by the committee and, if there are ongoing consultations and negotiations with a preferred tenderer, some of that might be revealed in the public interest.

I now pick up some of the points in the press statement released by the Minister for Transport today, and refer to some of the issues of concern which the committee could clearly look into. The press release states -

Mr Criddle and Mr Nevill have negotiated a number of changes to a Bill now before State Parliament in order to increase the competitiveness of rail.

The first point of issue is whether it will increase the competitiveness of rail, and what evidence there is that that will be the case. Clearly, it is a matter for the committee to investigate. The statement continues -

These include a major upgrade of the Kalgoorlie-Esperance line as a condition of sale.

Some of these negotiations must be fairly well advanced because if conditions of sale are already set, that might be one of a variety or range of conditions of sale. Surely the Western Australian public has a right to know the full extent of the conditions of sale. I do not have much idea at this stage of all the conditions of sale vis-a-vis the sale of Westrail freight, and the minister may appear before the committee and be happy to explain his proposal.

Hon M.J. Criddle: Not likely.

Hon LJILJANNA RAVLICH: Of course not; why would the minister? He has not told anyone anything so far, so why would he go down that path? However, we would like to know the conditions of sale and that is a fair enough question. According to the minister in his press release today - members would have to laugh at this -

Mr Nevill has demonstrated a very real understanding of the need to sell Westrail to a strong private rail operator, and a strong commitment to the needs of regional Western Australia, during the negotiating process.

Hon Cheryl Davenport: Ask the people in Kalgoorlie about that.

Hon LJILJANNA RAVLICH: Exactly right. Rather than demonstrating an understanding of the need to sell Westrail, Hon Mark Nevill seems to understand more the Government's budget problems which go to the heart of this matter. This Government went cool for a while on the Westrail privatisation. However, I reckon it did not get enough money from the sale of AlintaGas, so it is back on the agenda again. That is fair enough.

I remember hearing my learned colleague Hon Kim Chance in his delivery asking a fairly fundamental question; that is, how much is anticipated from the sale of Westrail freight. I cannot believe that this Government has no idea how much it will get from the sale. I compare it to my putting my house on the market without having any idea how much it will sell for. It would be dumb to go down that line, and the estimates committee would be the appropriate committee to investigate this fundamental issue.

Hon B.K. Donaldson interjected.

Hon LJILJANNA RAVLICH: Hon Bruce Donaldson would be better off sitting there and saying nothing, because he does not know the answer to that fundamental question.

Hon B.K. Donaldson: Have you taken the opportunity to be briefed by the sales task force? No, you have not.

Hon LJILJANNA RAVLICH: Given that Hon Bruce Donaldson has been briefed by the sales task force perhaps he, on behalf of the minister, can tell us how much is anticipated to be generated from the sale. He shakes his head and indicates he does not know.

Hon Kim Chance: The task force did not tell me.

Hon LJILJANNA RAVLICH: We do not know.

Hon B.K. Donaldson: She is ill-informed because she has not been briefed.

Hon LJILJANNA RAVLICH: Ill-informed? At least I know how to ask a question. Hon Bruce Donaldson does not ask the questions and he does not get the answers.

Hon E.R.J. Dermer: It is the blind leading the blind on the government benches.

The DEPUTY PRESIDENT (Hon John Cowdell): Order! It may be a question of the blind leading the blind rather than the vocal leading the vocal. We only want one vocal at this stage.

Hon LJILJANNA RAVLICH: Many members were dissatisfied with the AlintaGas privatisation but having said that, at least there was a ballpark figure. The Deutsche Bank estimated the projected value of that sale to be somewhere between \$800m and \$1.2b. My estimation was that it would be considerably less after the Government had paid debt and liability. However, in this case we cannot even get a ballpark figure from the Government. Could the minister please give us a ballpark figure? Can members think of anything so stupid, idiotic or preposterous as this Minister for Transport wanting us to sell a major asset which is generating \$43m? I know it has some debt but some of that debt might have been dealt with if the Government had not got itself into \$620m of debt. Without that debt, the Government might have had some money to play with and been able to divert some of those resources to fixing up some of the problems in Westrail. The Government did not do that, it could not see the commonsense in doing that. However, this Government cannot tell us the range of projected revenue which it anticipates receiving from this sale. I cannot think of anything more fundamental for the Standing Committee on Estimates and Financial Operations to investigate.

Hon B.K. Donaldson: Anywhere between \$600 000 and \$2b.

Hon LJILJANNA RAVLICH: If it is between \$600 000 and \$2b, the Government has a real problem.

Hon Norm Kelly: That is the Government's best guess.

Hon LJILJANNA RAVLICH: If that was the Government's best guess, it would be kidding. Would Hon Bruce Donaldson sell his house for between \$100 000 and \$500 000? Would he sell it for \$100 000?

The DEPUTY PRESIDENT: Order! That comment is not entirely addressing the motion before the House.

Hon LJILJANNA RAVLICH: This is a fundamental issue. The Government might choose to skirt around it but we would be negligent and irresponsible and would not deserve to sit on those benches if we were not asking such a fundamental question or if we were supporting the Government in putting this legislation through without knowing something so fundamental. It is preposterous that we have even been asked to do that. We have an established committee with expertise in the area of finance and estimates. I can cop government members not knowing, but maybe somebody else in government might have some idea. An advantage of the committee system is committees can bring in the Treasury buffs and some expertise and somebody might be able to answer this question.

Hon Kim Chance: Even on a confidential basis.

Hon LJILJANNA RAVLICH: Somebody might be able to answer the question on a confidential basis. The press release continues -

"We now have the opportunity to attract a private operator . . .

The Opposition would like to know how many private operators have expressed interest in this major contract. It is a contract which has the potential to lead to monopoly control of the rail track system. It is pretty fundamental that we know who is in the bidding and how far that bidding has progressed. The minister's press release states -

"We now have the opportunity to attract a private operator who will be able to continue the reform process started by Westrail, and deliver a world-class, competitive rail freight service to Western Australia.

I have already made the point that if the Government had not squandered \$620m on the deficit, it might have been able to achieve that objective itself. It is too little, too late on the Government's behalf.

Hon Cheryl Davenport: We were told in the Standing Committee on Public Administration that this is a world-class asset now. How are we going to make it more of a world-class asset?

Hon LJILJANNA RAVLICH: That is a very good point, and it is a matter that the committee might look at, because if the Government is selling it as a world-class asset but is saying in this statement that it is not a world-class asset, obviously that issue needs to be explored. Minister, is it a world-class asset or is it not a world-class asset?

Hon Ray Halligan: That should be left to the committee as a whole.

Hon LJILJANNA RAVLICH: Do not worry about it! Go back to sleep!

Hon Ray Halligan: You have been asleep all night. You are talking rubbish.

Hon LJILJANNA RAVLICH: The minister does not know, and his backbench does not know. Perhaps that is a matter that the committee can explore. This may sound flippant, but at the end of the day this will have a major effect on the revenue generated for the State. Frankly, if it is being sold off on paper to a foreign buyer and is being presented in a certain way and is being dressed up to look good - a bit like a house with heaps of cracks in it - obviously it will have a financial impact. Therefore, it is fundamental that the committee explore the extent to which it is a world class asset and perhaps make a comparative analysis with other freight systems. Some work certainly needs to be done on that matter.

According to the minister, the new operator will keep downward pressure on freight rates, improve service delivery and

get more freight off road and on to rail.

Points of Order

Hon B.K. DONALDSON: Mr Deputy President, this is irrelevant to the referral motion. The member is now starting to discuss in detail a press release, and I do not believe that has anything to do with the referral. The member is way out of order, Mr Deputy President. Bring her back into line.

The DEPUTY PRESIDENT: Order! The member will relate her comments directly to the motion.

Hon LJILJANNA RAVLICH: Thank you, Mr Deputy President. Once again, if Hon Bruce Donaldson had read the motion -

Hon RAY HALLIGAN: The member talks about the motion. Unfortunately, there are people on this side of the Chamber who have not been presented with a copy of that motion. I would like a copy, if I may.

The DEPUTY PRESIDENT: We will make sure the motion is distributed to every member who does not have a copy.

Debate Resumed

Hon LJILJANNA RAVLICH: Thank you, Mr Deputy President. I want to take up the point of order raised by Hon Bruce Donaldson. Paragraph 6 of the motion picks up other matters relating to the proposed sale, but, having said that, some of the issues that are raised would fit perfectly within the work that is done by the Estimates and Financial Operations Committee. I am talking about pretty fundamental economic issues and about the way in which the sale of this asset is conducted with regard to achieving a financial return for the State.

Hon Derrick Tomlinson: The question is not the terms of reference but whether the matter should be referred. The terms of reference will be explored by the committee if and when it is referred. Tell us why it should be referred. Do not rehearse what you think the committee's investigation should include.

Hon LJILJANNA RAVLICH: We can always tell when we are getting close to the mark because they get a bit heated!

Hon Derrick Tomlinson: The problem is that you woke me up!

Hon LJILJANNA RAVLICH: Hon Derrick Tomlinson wakes up and then we cannot shut him up, and the backbench starts jumping like fish in a pond and then we cannot control them -

Hon B.K. Donaldson: I don't mind listening to commonsense, but don't talk rubbish. You are talking rubbish again.

The DEPUTY PRESIDENT: The member will address the Chair, and the interjectors will cease interjecting.

Hon LJILJANNA RAVLICH: Thank you, Mr Deputy President. According to the minister, the new operator will help keep downward pressure on freight rates, improve service delivery and get more freight off road and on to rail. These are ambit claims that are based on absolutely zip. They are based on what the minister wants us to believe. He lives in some sort of fairyland, and he believes that if he says these things often enough, the people will accept them without questioning them. Frankly, I am sick of being on this side of the House and accepting without question. The minister could help by providing the evidence of how the new operator will keep downward pressure on freight rates. He must have done an analysis of that, because he could only make such a claim if it could be substantiated. Therefore, the minister will have the opportunity to substantiate this claim before the Standing Committee on Estimates and Financial Operations. He will also be able to substantiate the improved service delivery and how more freight will be taken off road and put onto rail. The Standing Committee on Estimates and Financial Operations is well placed to call for experts in these areas.

Hon Norm Kelly: Now that you are on the committee.

Hon LJILJANNA RAVLICH: That is right. Now that I am on it, I will be able to assist the committee in calling for experts from a range of agencies and even the private sector, and the committee can help the minister to understand how he made this determination that we will be so much better off in terms of downward pressure on freight rates and improved service delivery, and how we will get more freight off road and onto rail. The minister also makes another ambit claim about how this will improve competition generally. I do not see any evidence of that. In fact, competition may be reduced because if somebody owns the track, over time that operator can deny access to others; therefore, a monopoly situation can be created, which is disadvantageous to all concerned.

I have some grave reservations about the Government's claims. They are big on rhetoric and light on delivery, as usual. It is about time this Government put its money where its mouth is. I challenge the minister to put his money where his mouth is and to come good on all the claims about how he and his government will be accountable to the Western Australian taxpayers, how he will be an accountable minister, and his assertion that because he has all this information, all we need do is ask for it. It does not get much plainer than this: I want to see the cost benefit analysis and the financial details, and I want to know how the minister can substantiate the claims about all the wonderful things that the privatisation of this key government asset will deliver to the Western Australian taxpayers.

If the minister has nothing to hide, if he has no fears and everything is open, he does not have a problem, and he certainly would not have a problem in supporting the motion for the referral of this Bill to the Standing Committee on Estimates and Financial Operations. However, he might have a problem if things do not stack up and he does not understand the basics and has no idea what the asset is worth or what the Government is likely to get for it on the market. He might have a problem if he has not done his homework. I suspect that when this information goes to the Standing Committee on

Estimates and Financial Operations, that committee will more than likely find that a lot of this material does not stack up, that the homework has not been done and that this is a quick solution to a complex problem in plugging up a budget deficit. I could not be a party to that, and I do not think any member on this side of the House could be. As I have already said, it would be negligent and irresponsible of me, in representing my constituents, to support this legislation without it being referred to the Standing Committee on Estimates and Financial Operations for proper and thorough scrutiny. Therefore, I support the motion.

HON NORM KELLY (East Metropolitan) [9.14 pm]: Members will be aware that this Bill has already been referred to a committee. It went to the Standing Committee on Public Administration last year and that committee conducted an extensive inquiry into the Government's proposal to sell Westrail freight. As a member of that committee, I am fully aware of the effort members put into that inquiry and the number of submissions taken. However, there were a number of necessary limitations to what the inquiry could do, one being the time factor, in that the committee wanted to report back to Parliament as quickly as possible. Also, at that stage we were still deciding the merit or otherwise of the various forms of sale that were possible. There were many arguments relating to a vertically-integrated versus a vertically-separated sale, the specific requirements and interests of the narrow gauge network as against the standard gauge parts of the network, and the specific sectoral interests of the grains industry, the minerals industry and other users of the freight network.

The Public Administration Committee's report provided members with a good summary - not much more - of arguments for and against the sale. We are now at a point where the Government has announced a more definitive position about how the sale will go ahead, the guarantees that will be contained in the sale and the provisions of the sale that do not contain guarantees.

Before listening to the minister's response this afternoon, all we had to rely on was a media release. Interestingly, once again, the Government is happy to inform the media but not members about what it has agreed to in selling off one of the major capital assets of this State. It is necessary to scrutinise the minister's and Hon Mark Nevill's media statements to try to determine the benefits or otherwise of this sale. That is why the motion moved by Hon Kim Chance is worthy of support.

I will go through the points contained in the motion and speak briefly on why each point has a degree of merit. The first point relates to the effect of the sale conditions which have been agreed between the Government and Hon Mark Nevill. Of particular concern to me is the fact that it is still to be an integrated sale. The minister and members of the sale task force will be well aware of my objections to that form of sale. That is where we chose to end our discussions, because we could not get past the point of integrated as opposed to separated forms of sale. The Government has now definitely agreed to an integrated sale and from my reading of the amendments, there are provisions for a separate list of directors for companies etc, which I think is called the Chinese wall style of separation, or ring fencing, which is insufficient for this sale. However, the Standing Committee on Estimates and Financial Operations can be charged with the responsibility of inquiring into whether it is a sufficient degree of ring fencing to ensure that we have adequate and fair access to the rail network for the next 50 years.

The second point in Hon Kim Chance's motion refers to the impact of these conditions on the sale price of Westrail assets. This is at the heart of the matter. We must know whether this sale is in the best interests of the current owners of the Westrail freight network; that is, all Western Australians, who have been owners over the generations of the past 100 years. We must consider the blood, sweat and tears that have been put in to build up this network into what it is today, a network which has been sadly degraded in the past decade or two.

The third point reflects on the future use of the Kalgoorlie-Esperance standard gauge line, which is closely tied to the operations of Portman Mining Ltd and the amount of tonnage it can generate from the Koolyanobbing and closely related iron ore sites through the Esperance port. With proper government regulation and support there would be less dependence on that single miner for the viability of that transport link. If we could get more freight off the roads between Esperance and Kalgoorlie, we could assure the future of that rail link with the transport of fuel and the like moving back and forth between Kalgoorlie and Esperance.

I appreciate Hon Mark Nevill's efforts in trying to secure - it appears he has been successful in this regard - adequate standards of track condition for these sections and having them included in the Bill for the Kwinana to Kalgoorlie line. We need that level of surety so that the above-rail operators can rely on a more efficient rail operation. Unfortunately, the number of speed restrictions due to deterioration of the track is having a negative impact on the willingness of the above-rail operators to invest in the future of those freight movements.

Point 4 refers to the impact of Westrail on the grain industry. As I recall, there were accounts for approximately 30 per cent of the overall freight task in this State. It is a very significant part of the Westrail freight network and of the socioeconomic structure of our regional areas. It is imperative that this House inquire into the impact of this sale on those regional areas. If the Government is truly committed to the regions, surely it will welcome a further inquiry into the sale. If it believes it will work this way it should welcome reassurance by a committee that it is in the best interests of the State.

We do not want to see this Government doing at state level what the Commonwealth Government is doing at federal level with the proposed sale of Telstra, and abandoning the bush. This proposal has the possibility of the state coalition Government's abandoning the bush for a quick fix to a debt problem that it has allowed to build up over the past seven years.

Hon Cheryl Davenport interjected.

Hon NORM KELLY: Unfortunately this Government has allowed Westrail to build up its debt level at an increasing rate over the past seven years. Only a couple of years ago one of its solutions to that was to allow Westrail to expand to enable it to operate in other States so it could become more efficient and more profitable and in doing so reduce its debt levels.

Hon B.K. Donaldson: There is no legislation in place to allow that.

Hon NORM KELLY: I can show Hon Bruce Donaldson a copy of Westrail's annual report that highlights the fact that no legislation exists, but it had the expectation at that time - only a couple of years ago - that this Government would introduce legislation to enable Westrail to compete in other state arenas, such as the lucrative Hunter Valley coal contracts. Westrail hoped that it could make what was already a profitable enterprise even more profitable. Westrail's inability to compete that way is why its management is leaving in droves to rail companies in other places where their talents can be better utilised.

The narrow gauge network faces specific issues relating to its long-term viability that go far beyond handling the grain task. A number of people have come to my office asking me to support the sale of Westrail so they can develop niche operations on that network.

The DEPUTY PRESIDENT (Hon J.A. Cowdell): I am sure the member is going to relate this to the motion.

Hon NORM KELLY: Certainly, because the Standing Committee on Estimates and Financial Operations should be inquiring into methods to ensure that the narrow gauge network will be maintained in a state that will allow future development for other operators on those above rail operations.

Point 5 refers to the means by which the separation between the narrow gauge and standard gauge networks management will be structured. I have not at this stage been able to go through the details of the proposed amendments because I have had very little warning. I believe the Government hoped that we would go into the committee debate on this Bill tonight. That is ludicrous given the lack of warning.

Hon M.J. Criddle: It was not intended that we would be going into the committee stage. We intended to put two proposals relating to appropriation, and they would then go to the other House.

Hon NORM KELLY: I appreciate that point. However, the fact that we have gone to the second reading vote and have been expected to make a decision based on a couple of media statements outlining the reasons for the sale of Westrail shows the hurried nature of the issue. Comments made in the goldfields media in the past few days have indicated that an agreement was coming. I hoped that the concerns previously expressed by Hon Mark Nevill would be adequately covered in today's announcement, but those concerns have not been dealt with appropriately.

Point 6 of the motion is the catch-all paragraph for other matters relating to the proposed sale. This can be to the Government's advantage if it wants to pursue the reasons that this sale will be beneficial to the State. Those matters could include the alternative of not selling Westrail. Although I am opposed to the sale of Westrail in this form, I have serious concerns about what will happen if it is not sold given the current Government's lack of commitment to providing capital investment for a network that is sadly crying out for it.

Hon M.J. Criddle: How much investment do you think we should put in?

Hon NORM KELLY: However, the ALP's capital investment history in this area is also poor. Members of the Labor Party have said little to indicate that that would change if there were a change of Government in the near future. The Democrats have concerns about the continuing public ownership of the freight network. However, we have ideas about how that could be better handled rather than simply abrogating the responsibility and passing it off to a private operator for the next 50 years.

Unfortunately, it appears that the big losers - apart from the Western Australian public - will be the employees of Westrail. The Government's and Hon Mark Nevill's commitment to those employees is demonstrated in media releases, which are all we have to go on with regard to the content of the agreement. The impact on the employees is covered in one and a half lines. That is a sad indictment of how this Government treats its employees.

Hon M.J. Criddle: I made a public statement making that very clear months ago.

Hon NORM KELLY: The minister outlined the following in today's media release -

An important element of the sale process is that Westrail employees will be treated fairly and not lose their jobs.

It does not say what will happen to the workers' conditions under the private operator, or how they may be squeezed out of those jobs or be forced to accept previously unacceptable conditions simply to hang onto their jobs. Hon Mark Nevill managed two whole lines about employees at the bottom of his media release, which read -

In respect of Westrail staff, there will no involuntary Westrail transfers to a new owner and no staff member will be without a job as a result of the sale.

That may not even be a railway job. If orderly jobs at Kalgoorlie Regional Hospital are available in the next year, Westrail people could take those jobs. A number of people may choose, as some have already done, to go interstate for some form of security. These people have been sold short by the Government over the last two years. They have had the insecurity of not knowing what will happen to them in the event of a sale. I met 25 train drivers and employees at Kalgoorlie in

August of last year.

Point of Order

Hon RAY HALLIGAN: We are straying from the motion again.

The DEPUTY PRESIDENT (Hon J.A. Cowdell): The member will relate his comments to the motion. His speech is becoming too general.

Debate Resumed

Hon NORM KELLY: It is imperative for this House to establish a committee inquiry to look into the concerns expressed. Given that government promises were made regarding security for employees, nothing in either the Bill or the proposed amendments refers to that subject. It is imperative that the committee look at this pertinent issue.

Hon Derrick Tomlinson: It is not in the terms of reference.

Hon NORM KELLY: It is in paragraph (6).

Hon Derrick Tomlinson: "Other matters".

Hon NORM KELLY: Exactly.

Hon Dexter Davies interjected.

Hon NORM KELLY: Yet we had no guarantee about what will happen to those employees. I will not digress by interjection. The Government had not even consulted the workers I met in Kalgoorlie. They asked me questions to which I said, "I'm not the person to ask; you should ask people on the task force as they are the only ones to provide answers about your long-term security." When did the minister inform workers about his decision today? Do they hear snippets in the media about their security? What security? Will it apply for six months or 12 months, or two years as with the bus drivers -

The DEPUTY PRESIDENT: Order! The member will relate his comments to the motion before the Chair.

Hon NORM KELLY: The Standing Committee on Estimates and Financial Operations is the best means to look into the financial implications of this sale. That is very pertinent to this motion. We need to see what sort of packages will be available to employees. The Government tried to discern intentions last year in a survey of employees, and we have not received the results of that survey that we were promised.

We have a couple of alternatives in dealing with this Bill in the next few weeks. It could be done efficiently using the standing committee process to thrash out these issues among a handful of members of this place.

Hon Ray Halligan: Are you suggesting that it was not done efficiently the last time it went through?

Hon NORM KELLY: If Hon Ray Halligan had listened, he would have heard me say that the first inquiry had limitations: It had a time imperative to get the Bill back to the Legislative Council for well-informed debate on the pros and cons of the integrated versus separated models and so on. I said that the Standing Committee on Public Administration did a very good job. I am amazed that Hon Ray Halligan makes those sorts of interjections. There is a further job to be done, which is outlined in the motion before us.

Several members interjected.

The PRESIDENT: Order! I have been here only three minutes and all members are arguing with each other. I do not know who did what, but I would not mind listening to Hon Norm Kelly.

Hon NORM KELLY: Thank you Mr President. As I said, the Standing Committee on Public Administration did an excellent job in pulling together all the different pertinent issues and all the arguments for and against involved in those issues. That report was very useful during the second reading debate which went on last year and was concluded tonight. However, there is a further job to be done, which is to look more at the specifics of what is being presented, because we are getting to the detail of the Government's proposal. It is imperative that we have a short, sharp inquiry, calling in the relevant people, so that we can get a better idea. At the moment we have no idea what sort of return this sale will give to the State and what will be the benefits to the State. We are getting guesswork from the Government. The official government response so far by way of interjection from Hon Bruce Donaldson is \$600m to \$2 000m for the sale of Westrail. That is the best the Government has been able to come up with so far because we have not heard anything else. I am glad that Hon Bruce Donaldson is not the Minister for Finance.

I appreciate Hon Mark Nevill's concern about the future of the Westrail freight network. He and I had quite a number of discussions late last year on how we could best put together what we believed were the safeguards required if the network was to be sold, looking at the possibility that it may be beyond our power to prevent a sale. I appreciate that he believes that what he is proposing now is in the best interests of that rail network. As I was saying before, and I will briefly return to it, I feel Hon Mark Nevill has failed the employees. Last December when he wrote to the Minister for Transport and outlined his bottom lines of what he would accept for a sale, those bottom lines included that there be a recognition by way of financial compensation of the negative impact on Westrail employees consequent on a change of employer and likely change in work practices. We do not see that in these one-and-a-half and two-line responses in the media releases with which we have been presented today. It is important that the committee look into what sort of financial compensation, if

any, will be there for employees and also what impact it would have on the State, so that we can see those financial implications for the State as a whole. That is the least we can do for the employees of Westrail.

I believe that Hon Mark Nevill should be jumping at the opportunity, and so should the Government, of sending this Bill to a committee with the terms of reference outlined by Hon Kim Chance. It would be a perfect opportunity for the committee to specify in a report its estimation of the impact this sale would have for all Western Australians. As I have said, it would show the advantage of conducting the sale in the way it is proposed at the moment, but I believe that due to term of reference 6, other matters relating to the proposed sale, it is broad enough to include what the implications would be in a scenario where Westrail freight was not sold, so that Western Australians could be well informed and made quite clear of what is before us as to the current state of Westrail and the network and how that may or may not be remedied by this or future Governments. For those reasons, we have the option of either sending this matter to the committee and having it efficiently done or having the possibility of a very slow, laborious procedure through the Committee of the Whole House to try to get those answers, which would more efficiently be done in the standing committee process. For that reason, the Australian Democrats will be supporting this motion.

HON J.A. SCOTT (South Metropolitan) [9.40 pm]: The Greens (WA) also support this motion. I realise that members on the other side do not want to hear what I have to say, but I have that right and I will take it. We have been given a motion which asks for the Standing Committee on Estimates and Financial Operations to inquire into and report on the effect of the conditions which have been agreed between the Government and Hon Mark Nevill on the Rail Freight System Bill generally. Specifically, the first point of the motion concerns the impact of those conditions on the sale of Westrail's assets. Members will realise that almost nobody on this side of the House has had the opportunity to properly assess the effect of those negotiations. As members have already said, we have only a couple of media statements. Those media statements are far-reaching in the effects they will have on the original Bill that was introduced into this House.

Hon M.J. Criddle: You could have been involved in negotiations any time you wanted.

Hon J.A. SCOTT: That is true; the Government offered to do that. I have no problem saying that I was not inclined to sell Westrail at that point. That is why I did not get involved in it. However, a new set of circumstances have now been put before us, and they are not similar to the previous circumstances. We have not yet had an opportunity to look at the impacts of these changes. As I said, they are significant. I understood from the second reading speech that the Government was saying to us that by allowing the owner of the rail to also be the operator but to have ring-fenced businesses, it would do a number of things which would be of advantage to this State, including getting a higher price for the rail system. I point out to the minister that this proposal is not the same, because we now have the opportunity for a different track owner to own the main gauge. Hon Mark Nevill's statement says, "the agreement allows the Federal Government owned Australia Rail Track Corporation . . . to bid for the standard gauge line." Is that incorrect?

Hon M.J. Criddle: It can bid as a consortium; he said that a minute ago.

Hon J.A. SCOTT: We are looking at the complete ownership of the grain network, and we have a very different situation. I am concerned on a number of levels, and I want the committee to look at those concerns. Clearly, if the minister gave us correct information in the first place we would now be getting less for the sale, so I would like the Standing Committee on Estimates and Financial Operations to look at that.

The Government also claimed that having a single-entity owner of a single operation would mean its operations in this State would be protected to some degree against takeover by interests from other States. That is because it would be a strong operation with the advantage of the rail network being linked to the needs of the train operators. It seems that has changed too. A part of the network will possibly be owned by the Australian Rail Track Corporation - the standard gauge.

We also have problems for grain growers that I want the committee to look into. It appears that one company will own the grain network, but there could be a different track owner for the main gauge. That would mean that, with the rail access regime in place, there will possibly be an undermining of the agreement put together by the grains logistics committee. For example, if the Australian Rail Track Corporation owns the main gauge it will not be able to discriminate against anybody else providing a service to farmers at a cheaper rate, which will break down the averaging out that occurs over our grain network. I am concerned about that, and I want the committee to look at that as well.

It is interesting that during the initial debates the Government was adamantly opposed to Australian Rail Track Corporation being the track manager. I heard many vehement arguments against what ARTC was proposing from when it first spoke to the Standing Committee on Estimates and Financial Operations through to the second reading debates.

I would also like the committee to look at the timing of this sale. This is probably the worst time to sell off the rail system because we are currently in a period of massive worldwide increases in diesel fuel prices. In countries like the United States, truck drivers are demonstrating on the streets and protesting that it is hard to continue to operate their businesses. This fuel increase gives rail a huge natural advantage because it is much more fuel efficient than trucks.

The minister has said tonight that we are seeing a decline in the share of the rail freight task.

Hon M.J. Criddle: I did not say that.

Hon J.A. SCOTT: The minister did, although the way in which he expressed it was a little ambiguous in that he was not talking about a percentage but an increase in the overall task.

Hon M.J. Criddle: I said that the road freight task was going up 7 per cent annually.

Hon J.A. SCOTT: I misunderstood the minister. I understood him to say that trucks were taking over. I must have misheard, although that backs up my argument even more. I am convinced that the value of rail will increase as it becomes obvious that the rises in fuel prices will affect trucks and we will see a greater shift of freight onto rail. The Government made the same mistake previously when it bought the bus fleet. It calculated the cost of running that fleet at a time when fuel costs were at a 25-year low and now we are significantly worse off than we would have been. I do not want to see that same mistake made again. In two years' time the rail system will be worth significantly more than it is now. We are selling ourselves short by disposing of the business now. I would certainly like the committee to look at that. I am not sure from what I have read that the grain growers have been given any assurance that the current pricing system will continue.

I refer now to the proposition that two discrete businesses will be owned by a separate entity. I note that the Minister for Transport is shaking his head, but Hon Mark Nevill, who has made this agreement with the minister, referred to the separation of the standard gauge from the narrow gauge network and its management by a separate, ring-fenced company. I thought that meant they would be separate and run by a different company. I understood from talking to Hon Mark Nevill that a holding company would be over both of those.

Hon Kim Chance: If there were not a common entity, why would you need ring fencing?

Hon J.A. SCOTT: Exactly. That is my point. There will be two discretely run operations. Even though they may be working together on the ground, as businesses they will be discretely run. That will open up much greater opportunities for the breakdown of the freight rail system in this State than ever before. If matters got out of hand financially, one section could be sold off. I do not have the details in front of me to know whether that can be done under the provisions of the Bill.

Hon Ljiljana Ravlich: Who does?

Hon M.J. Criddle: They are all in the amendments.

Hon J.A. SCOTT: I would like the committee to look into that because this could lead to the breakup of the system. That is of great concern to me. Obviously, it would be easier for a competitor that wants to take over a section of the system to buy a small part rather than all of it. That would be easier under this system than it would have been under the previous proposal. I am on record as saying that if Westrail freight is to be sold, I prefer the model that was previously proposed.

Hon Mark Nevill pointed out that one of the great advantages would be that a lot of money would be spent on the Kalgoorlie-Esperance line, and some of the materials could be used to boost the grain line. It is obvious that he has moved across to embrace not only privatisation, but also the trickle down theory. He seems to be saying that the miners will get the brand new, well-constructed line, and the farmers will get second best and what is left over. That is a concern, especially bearing in mind the funding required to go into the Kalgoorlie line. Naturally, if an overabundance of money goes into one section of the line, another section of the line will suffer because the company will not have enough capital to boost the whole line and remain profitable. To put it bluntly, this is a Brian Harradine Telstra deal. It is not very good. The committee needs to look at that because the worst thing we could do for our rail system would be to have Brian Harradine-type deals being done around the traps to ensure that the people who make the most noise and have the most power are looked after in order to allow the Government to flog the rail system. If this motion is passed, I want the committee to look very closely at that because I am worried about that position.

Hon Barry House: I seem to remember when two members of your party, Senators Christabel Chamarette and Dee Margetts, held the same position in the Senate as Hon Mark Nevill does here and Senator Brian Harradine did in the Senate. You did not mind it then.

Hon J.A. SCOTT: It is not a matter of controlling the Senate but of getting special deals for one's electorate. That is what I am concerned about. When a special deal is reached for one place, another place suffers. I want to see the whole rail network managed in the most efficient way, not money being poured into one area to satisfy somebody's vote in this place. That is what I want. In response to the interjection about Senators Chamarette and Margetts, what they achieved was not something specific for their electorate but to get the Labor Government to take \$70m away from the richest people and give it to the poorest people through the tax system. I thought that was a good thing and it was not just for their electorate.

Several members interjected.

The PRESIDENT: Order! The committee is not required to look into those matters. I am not criticising Hon Jim Scott as he was replying to an interjection but I have read the terms of reference and the former Senators are not included.

Hon J.A. SCOTT: I did not intend to take it any further but I thought I should answer that implied criticism as interjections do not go on the record if we do not answer them.

Hon Mark Nevill said, and members from the other side have interjected, that there has been a comprehensive debate and there has been but it has not been about what we are faced with now. It was about something completely different. That is the whole point of wanting the Standing Committee on Estimates and Financial Operations to look at these issues. If the motion is passed, I hope the committee will look at the issues I have raised. I realise that those on the other side and Hon Mark Nevill may not want people to look at the higher expenditure on the Kalgoorlie section of the line. Even though I come from the South Metropolitan Region, I want to see the whole rail system operate at its best as that will be the best thing for the South Metropolitan Region. Looking after one bit of the system and hoping the whole thing will stay together is not the best thing. It is like my saying that I like one-half of my body and therefore I will cut the other half off. I would

soon know that that would not succeed. I support the motion and it will get my vote.

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [9.58 pm]: I have been listening to the debate all evening and have heard nothing which has not been covered over the past 18 months. The people who do not quite understand what we are trying to do have had every opportunity to get involved. I was surprised by the point of view of Hon Kim Chance who is the chairman of the Standing Committee on Public Administration and had every opportunity to look at the impact of these things when his committee dealt with the issues.

Hon Kim Chance: And I took that opportunity.

Hon M.J. CRIDDLE: Hon Kim Chance said he took the opportunity to look at these particular issues. I have looked through the motion and most of the points are covered by chapters of the Public Administration Committee's report. From that point of view, I am surprised that there has even been an attempt to refer this matter to a committee. It seems like another of those repetitious events that we go through from time to time and that leads to further stalling of the propositions that the Government is putting forward.

Debate adjourned, pursuant to standing orders.

ADJOURNMENT OF THE HOUSE

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [10.00 pm]: I move -
That the House do now adjourn.

Carnarvon Flood Assistance - Adjournment Debate

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [10.00 pm]: As the floodwaters of the aftermath of cyclone Steve have subsided in the Gascoyne area and the Carnarvon township, so too has the interest of the Government in the welfare and needs of the flood victims following that disaster. What this Premier has done is cynically fly into a community already faced with the pain and devastation that comes from a flood such as this, and, in the full gaze and spotlight of media publicity, make promises to people that they were assured would be kept; and day after day since that time the Government has been given ample opportunity to respond to the questions that have been coming in its direction from those residents and from the Labor Opposition with regard to what funds will be made available to meet the needs of the flood victims of Carnarvon and the people on the outskirts of that community. However, this Premier cynically uses the crises and emergencies that face this State and heightens the expectations of the victims of those emergencies, and then dumps them as soon as the media interest has subsided, along with the subsiding floodwaters of the Gascoyne.

Hon Greg Smith: You are politicising disasters.

Hon TOM STEPHENS: They are being politicised by members opposite. The Premier stood in the homes of people like David and Debbie Dicks just one week ago, in the full gaze of the cameras and surrounded by the media that he had flown into that community, and told those people that they would have available to them relief programs that would assist them following the floodwaters that had been unleashed upon that community. However, when those individuals are delivered the guidelines that detail what programs will be available to them, it is clear that unless their homes have been inundated, they will not be successful in getting any of the funds that the Premier has so recently and unequivocally promised to those individuals. When the Premier is asked questions about this matter yesterday and today, and also last week, the Premier still does not have delivered to this Parliament, the public or those people what is their fate in the face of their recent trauma. These are simple questions that require simple and unequivocal answers. Instead, this Government waits until the media interest has subsided and those victims have been left to cope with their own plight, unaided by anybody.

Hon E.R.J. Dermer: A cruel and dishonest Government.

Hon TOM STEPHENS: It is indeed a cruel and totally dishonest regime. These are questions that those people have every right to have answered. They are entitled to know whether flood relief will be available to assist owners to repair and restore the flood-damaged Carnarvon homes, flats, businesses and properties that they have tenanted out to others, or whether those funds will be made available only to the tenants. What about the people who have lost their property in this recent flood? What is the answer from this Government? What is on offer to those businesses? Is the \$10 000 per business that was on offer to the victims of cyclone Vance in Exmouth, Onslow and Moora also on offer to the people of Carnarvon, or will the Government unequivocally say that, no, those funds are not available in this instance?

When will the soil replacement program commence? For instance, when can the growers start to take delivery of the promised soil that is said to be available for them? Will that soil replacement program also be available to the small businesspeople who have had tonnes and tonnes of soil washed away from their businesses, whether they be caravan parks or roadhouses? I think every roadhouse on the outskirts of Carnarvon has been adversely affected and lost tonnes and tonnes of soil, exposing great slabs of concrete that now stand suspended like suspension bridges over gaps between the culverts of the approach ways to those service stations. Who will replace the soil on the top of the underground power lines that now stand suspended almost like aerial cables across the culverts of the approach ways to those businesses?

In its draft guidelines, the Government talks about funds being available for those people. However, when those people telephone Agriculture Western Australia, which is left with the responsibility of administering the program, they are told that, no, those funds are available only for the growers. When the growers telephone Agriculture Western Australia to try to access the program, they are told that it is a four-year program.

Hon Kim Chance: If it happens at all.

Hon TOM STEPHENS: Yes, and there is some suggestion that replacing the topsoil for those growers is not on offer and that it would be better if they started digging up the hard clay, which is now all that some of them have left and on which they are faced with the prospect of trying to re-establish their economic viability as growers in those communities. What this Government has done to these communities is a disgrace. Members of the Government fly in with the media and fly out with their compassion. They get back on the aeroplane, no doubt drinking and swanning their way in and out of those communities on their fast-moving aircraft. The Government's compassion is shallow. Its compassion extends as far as its preoccupation with the marginal seats upon which it has a slim hold. It does not extend to the needs of people like David and Debbie Dicks or to those growers with whom Hon Kim Chance and I have been sitting and listening as they relate the plight and the tales of woe of their community in the face of the failure of this Government to respond to the needs of the growers, the businesses, the residents and people in need. Is it any wonder that those people who have seen their livelihoods destroyed, at least in part, by levies constructed with the support and assistance of this State Government and that have exacerbated the flooding in that community -

Hon M.J. Criddle: When were they put in?

Hon TOM STEPHENS: Those levies were being constructed and added to on the night of the flood, with the assistance of the State Emergency Service, compounding the effects of the floods for the people next door, so that flood levels rose higher than they had ever risen in the history of that community. This State Government has exposed itself and that instrumentality to all of the potential litigation that will flow from those individuals who are now faced with stonewalling from this Government in response to their queries. Is it any wonder that that community is angry with the likes of the individuals from this Government who have flown in and out of that community? Where are the long-term flood mitigation programs for that area that had been the hallmark of the Government's promises in the pre-election hype in that community? The Government has had two terms, yet it still has not unfolded its programs for flood mitigation schemes in that community.

When will the Government make it clear whether or not it is involved in a property acquisition program in that community? If it is involved in property acquisition, which are the properties, in what areas are they, and what amount of funds will be available for those communities? As long as the Government fails to answer the legitimate questions that the people of Carnarvon put through this Opposition into this place, it deserves to be condemned for falsely raising the hopes of that community by suggesting that it shared some compassion for its plight.

Government members are cynical opportunists in every emergency that has unfolded in this State. They have constantly flown in and flown out, taking their compassion out with them. They have seen and allowed their Premier to do his darnedest in that community this week, and he thinks he will get away with it. That community is entitled to answers. Those answers should have been delivered in the House in response to the questions which the Opposition has been posing to this Parliament since that crisis unfolded in that community. The Government deserves to be condemned.

HON KIM CHANCE (Agricultural) [10.10 pm]: On the same issue, I must say that now the floodwaters have receded enough to be able to get a picture of the scale of the damage, what I saw in Carnarvon yesterday and Monday shocked me. I did not expect it to look anything like as bad as it did.

The scale of devastation to mature crops, to just planted crops, to land prepared for planting, to buildings, to infrastructure and, most devastating of all, to top soil must be seen to be believed. The most recent flood has been capricious, destructive and even illogical, if it is possible for a body of water to act in an illogical way. Some areas had a metre of floodwater over land which had never been flooded before. In other areas, the flood levels were actually lower than they were in 1995. That is why I refer to it as illogical in its behaviour.

The inescapable conclusion, however, is that interference with the river's flow, which so effectively protected the town west of the Boundary Road levy, has contributed to, and been the direct cause of, the scale of damage to those properties east of the Boundary Road levy.

Hon Barry House: Which Government put in those levies?

Hon KIM CHANCE: As the Leader of the Opposition just pointed out, the levies were being added to on the night of the flood.

Hon M.J. Criddle: That is not a reasonable assessment of the problem.

Hon KIM CHANCE: It is a fact. We spoke to the people who did it. I make no judgment on the net benefit of the existing engineering works. However, it was patently clear that some Carnarvon residents and plantations and businesses have suffered unreasonably in order that others could be protected. There is a need for a careful post-flood study of the flow patterns that occurred in this most recent tragedy, if for no other reason than to show the effect of the flood mitigation structures. That is why I make no judgment and blame no-one in this matter. However, we must look at what did happen, why the water flowed in a direction where it had never flowed before and why it flooded with such incredible force and speed in places where before, if it flooded at all, it was subject to a gentle rise and fall of floodwater rather than flowing with such speed that the water ripped, and gouged out house yards several feet deep.

Hon Peter Foss: I will give you some credit for being more reasonable. Moora had exactly the same result with three totally different floods.

Hon KIM CHANCE: Floods do perform differently. When we first flew into Carnarvon we had a good look at the area from the air. We took it slowly and had a good look.

Hon Greg Smith: You were probably swanning around having wine, cheese and biscuits.

Hon KIM CHANCE: I did have a cup of coffee, if that counts.

Hon Tom Stephens: We bounced around in a piston-driven aircraft, not in the slimy Citation that you use corruptly all the time.

Hon KIM CHANCE: Having spent a couple of days on the ground and then flown over the area again, we were able to relate what had happened on the ground more readily to what we observed from the air. It is clear that an expert will be able to see the causes and effects of what happened there. It is essential that that be done. I know that hydrological and hydrogeological study after study of the area has been done. However, an assessment now of the flow patterns is essential if we are to learn anything from a flood of this nature.

The main reason I have risen is to point to three issues that are of vital significance to plantation owners and share farmers in the area. First, it is essential that farmers be able to carry out short-term recovery and get crops into the ground now. The usual starting time for planting at this time of the year is about 16 March. That opportunity has been lost. Some of the planting that had occurred has been washed out to sea, taking with it fumigants, plastics, seedlings, irrigation trickle lines - and a great deal of money and effort. It is crucial from not only an economic point of view but also an emotional point of view to recover whatever ground can be recovered and to get crops back into the ground so that growers have a hope of some kind of a crop in this season. That is not necessarily a very expensive thing to do. However, it is essential that it be done and that planters have every opportunity to do it.

Coupled with that there must be a commitment to replacing the lost topsoil. I understand that at a meeting at the Agriculture Department on Monday night last week, it was indicated that 500 cubic metres of topsoil were lost - between seven and 10 times the amount lost in the 1995 flood. I am not an expert in the field, but, if anything, 500 000 cubic metres is an underestimate of the amount of topsoil lost. I concede that it may take years to replace that topsoil. The growers also understand that, but they need an assurance that the topsoil recovery program will be implemented, that problems with the Environmental Protection Authority in locating a suitable source for that topsoil will be overcome and that contracts can be let to earthmoving companies to get the topsoil onto properties at a reasonable cost. It will not be done immediately, but we must show growers that we are prepared to make a start in doing that; again, for as many emotional as economic reasons. If the cost of replacing that topsoil is in the order of \$8 per cubic metre for an area of 500 square metres, it will amount to \$4m. That is not an insurmountable cost and it is one we must be prepared to say that we can face over a period. Growers must have that assurance.

I have prioritised and it may seem strange that this is the last priority, but, thirdly, these growers need cash. They have just planted their crops and they are fully drawn. This is the low point in their income year. Like wheat growers when they have finished seeding, they are fully drawn on their overdrafts. That is their position, but they have now lost the crop. Losses vary from moderate but manageable, to very serious indeed. One grower lost \$250 000 in a mature crop and a further \$70 000 in recently prepared cropping land. I do not know what we can do to help that person. However, I know that he is fully drawn on his overdraft and has nowhere to go. At the very least, we should be trying to offer growers \$10 000 to \$20 000 to establish new crops, and hopefully to show them some way towards the future.

The Gascoyne irrigation area at Carnarvon has provided Perth and the rest of Western Australia with a unique supply of seasonal produce. It will and can go on doing that for the foreseeable future. However, the circumstances that these people are suffering now are as bad as I have ever seen in terms of people affected by a natural disaster. I have seen the ravages of drought in my time as a wheat grower, and the ravages of fire and flood in other areas - we do not often get fire and flood in the wheatbelt. What I saw at Carnarvon shocked me, first, from an environmental point of view. I was devastated to see that beautiful country ripped apart as it has been. However, the human tragedy cannot be realised until one talks to these people.

Allegations have been made about people making political hay out of this situation. That is extremely regrettable. If the Leader of the Opposition is offended, he is offended by what he perceives to be action of that nature on the Premier's behalf. Again, I make no comment on that; I would rather we had our little biffy and got it over and done with and then settle down to achieve something for the people of Carnarvon.

The PRESIDENT: Order! I advise the House that when Hon Greg Smith has finished his contribution I intend to call on Hon Tom Helm and, if time permits, Hon Ken Travers.

HON GREG SMITH (Mining and Pastoral) [10.21 pm]: I will not speak for long, but I cannot let the Leader of the Opposition's comments go by without making a response. I am absolutely disgusted in the Leader of the Opposition's suggesting that we would try to use a natural disaster for political mileage.

Hon Tom Stephens: Who did you fly in with?

Hon GREG SMITH: Nobody wins in a natural disaster; there is no political mileage to be gained. When a government representative goes to a natural disaster area -

Hon Tom Stephens: And tells them lies.

Hon GREG SMITH: Anything provided is not a product of political savvy, it is not considered a political favour and there are no political points to be won. The Government is doing it because it has to do it and everyone knows that.

Hon Tom Stephens interjected.

Hon GREG SMITH: I am absolutely appalled that the Leader of the Opposition could come into this place and suggest that the Premier would go to Carnarvon to do a stage show, to stand on a political platform and pretend that he cares. That is so far from the truth and it appals me that the Leader of the Opposition could think that. One thing I can say about our Premier is that he understands the country and cares for it. By going to Carnarvon, he let the people know that he was aware of their problems and that this Government would deal with them.

I was in Exmouth after cyclone Vance, and the Premier did exactly the same thing. He looked at the problems, made commitments -

Hon Tom Stephens interjected.

The PRESIDENT: Order! I warn the Leader of the Opposition that if he interjects again there will be trouble. I am sick and tired of his thinking that once he has spoken he has the absolute right to interject on others.

Hon GREG SMITH: When a natural disaster hits any area of Western Australia, the Government will respond. The Premier's response is to go to an affected area three days after a disaster has occurred and let the people know that the Government will do something to help them. I was in Exmouth after cyclone Vance. The Leader of the Opposition went up there and spent a whole day running around looking for one person who did not get something.

To suggest that we would use a natural disaster for political advantage is appalling and is as low as a person can go. Governments must accept that someone will miss out in the clean-up after a natural disaster. There are always circumstances that do not fit the criteria for assistance. We have rebuilt Exmouth and covered every loophole. If people missed out because of the criteria, we expanded them. No-one in Exmouth is disappointed with the way in which the Government treated them after the cyclone.

Hon Peter Foss: He would like to find someone.

Hon GREG SMITH: He would like to and he has looked. There is no lower thing that a Leader of the Opposition can do than to go to Carnarvon five days after a flood and look for someone who does not fit the criteria for assistance. The Premier will change the criteria; the Government will ensure that every person who has been affected by the flood will be looked after. I can guarantee that in six months the Leader of the Opposition will not say in this place that so and so missed out, or that this person did not receive something. To try to use a natural disaster for political gain is as low as a person can go. The Leader of the Opposition never ceases to surprise me. He surprised me today when he suggested that the Government made promises in Carnarvon that it will not fulfill. That is as low as one can go! Our Premier went to Carnarvon with the Minister for Tourism, who is a member for the Mining and Pastoral Region, to assure the people they would not be forgotten, and that the Government will fulfill the commitments made. Find me one commitment that the Premier made in Exmouth or Onslow which he did not fulfil. The Government fulfilled them all, and it will fulfil the commitments made in Carnarvon. One could not have a more passionate member about his electorate than the member for Ningaloo, Ross Sweetman. If there was an issue the Leader of the Opposition managed to dig up on his excursion to Exmouth, the member for Ningaloo would have hit us over the head with it so hard in our party room that everyone would know about it.

Hon Kim Chance: He will not have had to look hard.

Hon GREG SMITH: The Leader of the Opposition went for an excursion to find a couple of problems which did not fit the criteria of the Government's commitment. We will change the criteria so people will fit in. I bet that in six months the Leader of the Opposition will not be able to come into this place and make any complaints. He should not come into this place again and use a natural disaster to try to score a few political points. That is as low as a person can go. Nothing lower can be done. We will try to help people. No-one wins from such behaviour, and no Government wins from natural disasters.

Mardu People Housing - Adjournment Debate

HON TOM HELM (Mining and Pastoral) [10.27 pm]: I will not talk about natural disasters, but about a disaster at Newman which is as bad as, if not worse than, the one I mentioned last night in the adjournment debate. The lack of a dentist in Newman resulted from a number of circumstances which perhaps could have been alleviated by government action; however, the matter I raise tonight was brought about by government action.

I refer to the Government's intention to re-house the indigenous Mardu people who live in Parnpajinya just outside Newman. Late last year the Minister for Housing and for Aboriginal Affairs, Dr Kim Hames, visited Newman and advised groups of people that he intended to re-house people living in the fringe camps and shelters at Parnpajinya on the outskirts of Newman. The people of Newman for the most part accepted that those people who live in Parnpajinya deserved to live in the quality of housing available to every Australian. People were happy that the Government was taking that step. They were concerned that Newman might face the problems apparent in Carnarvon, Hedland and some other towns in the north west, and they asked the minister to put in place measures to alleviate problems they could foresee. The minister promised to give the town all the support required to ensure that the re-housing of the Mardu people, who choose to live in Newman, would be as trouble free as possible. I report that the minister has been to the town of Newman on a fly in, fly out basis

on about four occasions. He once called a public meeting and gave assurances that to this day have not been met. The Premier flew to Newman and gave his assurances, which also have not been met. The Mardu people have been re-housed in Newman.

We have had the most traumatic series of events ever to hit the town of Newman since its inception in the late 1960s. We have increased arrests of people who are behaving in an unsociable and illegal manner. We have people who are subjected to antisocial behaviour in their neighbourhoods. We have brand new houses that are overcrowded and being damaged by people who do not understand how those houses should be treated. We have in Newman all of the problems that occur in Hedland, a place I lived in for nine years. All of us knew that these problems were heading down the track towards us. That is why we asked the minister responsible for Aboriginal Affairs and minister responsible for Housing, Kim Hames, and the Premier to give us, the non-indigenous people and the indigenous people from Newman, its outskirts and the Western Desert, some support in allowing those people to change their lifestyle to enjoy the same lifestyle as everybody else does in Western Australia. That was not provided.

Today we do not have a shack worker or a Homeswest support person. Only recently the shire appointed a community development officer. To add insult to injury, the person who is well versed in what is needed and in this Government's intentions has been relocated to Hedland - a man called Sui, who is a friend of mine. He is the Aboriginal Affairs Department field officer. He assures me that he will spend five days a week in Newman. Our problems are seven days a week; they are bigger than he; they are bigger than the Police Force we have, they are bigger than all the social providers in Newman, who are already stretched providing services to a mining town. We now have the effects of those policies put forward by this minister, which we all applauded. Every person of goodwill, the majority in Newman, applauded the decision to take those people from those shelters and put them into proper houses. However, we knew that they needed to have help and support in that transitional period. None has been given, and so we have met all these problems. It is incumbent upon me to advise the House that this is the situation and hope that by my making again tonight another plea for help to put those people in place and for something to happen not only for the indigenous people but also non-indigenous people in the Newman area, someone might come along and give us the help and support promised by both the minister and the Premier.

One Nation - Adjournment Debate

HON KEN TRAVERS (North Metropolitan) [10.34 pm]: I want to raise a matter that came up in the media last week. It related to some articles in the Press that followed some questioning by the Opposition of the new Minister for Citizenship and Multicultural Interests, Rob Johnson, about his links to and encouragement of One Nation members to run for the council elections in the City of Joondalup. In *The West Australian* of last week the minister is firmly quoted as denying that he encouraged One Nation candidates to stand in the council elections for the City of Joondalup last December.

I do not normally like relating to this place one-on-one conversations which I have with people, but on this issue it is the only way I can bring to the attention of this House what would be a great concern to any fair-minded Western Australian. It relates to a conversation I had last Tuesday night with Alison Walker, who is a councillor of the City of Joondalup. She was well aware of who I am; it was not as if I was unknown to her as a Labor member of Parliament. The Opposition's questions to the minister last week were not based on my conversation with her. They commenced prior to my having that conversation and had come from other sources.

The issue of great importance to me is that the conversation I had with Alison Walker last week was about why she had run for the City of Joondalup's council elections. Her response to me was that she did so because the Minister for Citizenship and Multicultural Interests, Rob Johnson, had asked and encouraged her to do so. In fact, she indicated that both Rob Johnson and his staff had actively sought her out to nominate and run as a candidate. She went on to indicate that after she had nominated as a candidate, she met with Rob Johnson to discuss her campaign. It is of great importance to the people of Western Australia, based on the article in last week's *The West Australian* in which the minister denied that he encouraged her, that either the minister is misquoted in that article or he is lying, or a councillor of the City of Joondalup is lying. I understand that she has made these claims not only to me but also to others. I could also mention some of the other things she said, but I do not think they are relevant to this matter, and I am sure they would be most embarrassing to the minister if they were made public. There is no doubt in my mind that one of the two has been quite misleading, and I cannot see the motivation for Alison Walker to lie about the conversation, so I am left with only one choice.

Another point that most concerned me was that the Deputy Leader of the Liberal Party in this State, Colin Barnett, was asked to rule out the Liberals doing a deal with One Nation on preferences at the next election. Members might remember that Colin Barnett was one of the first to go to the barricades when One Nation raised its ugly head at the last federal election by indicating that he was opposed to doing preference swaps with it, even though the state branch of the Liberal Party was the last Liberal Party branch anywhere in Australia to come on board and put One Nation last. Mr Barnett was out there early in the piece ruling out doing preference deals. He would not even rule out doing a deal in his own seat this time round. It is not just about the fact that Colin Barnett is worried about whether he will win the seat of Cottesloe at the next election and is looking for preferences from anywhere. It goes deeper than that. He is making sure that he keeps onside a number of the northern suburbs members who are in marginal seats. He is trying to keep the Noel Crichton-Browne people onside, because in a leadership spill there is no way they will be voting for the Minister for Fair Trading, Doug Shave. We all know where Doug Shave is heading at this stage through his handling of the finance brokers debacle. It is a great shame when people of integrity like Colin Barnett are not ruling out doing deals with One Nation. It is appalling that this Government, particularly the Minister for Citizenship and Multicultural Interests, is running around actively encouraging and supporting a party and is clearly part of a process to get the preferences of One Nation at the next election,

when the minister is supposed to be working with the ethnic communities. It is ironic that yesterday was National Harmony Day - one of the first major events for the minister. From information being passed to us, it appears that Rob Johnson has been withdrawn from the role of negotiator. We have some idea of who is now doing the deals in the northern suburbs and we will continue to investigate that side of the issue. It is also a great shame that Colin Barnett has failed to rule out preference deals.

Ideas Workshop - Adjournment Debate

Hon KEN TRAVERS: Because the Leader of the Opposition says that I never give congratulations when they are due, I congratulate the Minister for Planning and the Tokyu Corporation on the ideas workshop that they have run over the past three days at the University of Western Australia and Edith Cowan University. I have had the benefit of attending significant parts of it. It is a very positive initiative. All of the people who have been involved with it deserve to be commended. I certainly enjoyed my time there. Their aim of improving and increasing employment opportunities in the northern suburbs is a good one.

Question put and passed.

House adjourned at 10.39 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

740. Hon E.R.J. DERMER to the Leader of the House representing the Minister for Parliamentary and Electoral Affairs:

I refer to the Auditor General's December 1998 report on Audit Results 1997/98 as that report relates to the preparedness of Government agencies to address the Year 2000 computer problem. Of the Government agencies for which the Minister for Parliamentary and Electoral Affairs has Ministerial responsibility -

- (1) Which agencies have their mission critical systems Year 2000 computer problem compliant?
- (2) Which agencies do not have their mission critical systems Year 2000 computer problem compliant and by what date is it estimated that each of these agencies will have their mission critical systems Year 2000 computer problem compliant?
- (3) Which agencies have completed inventories of systems and equipment?
- (4) Which agencies have not completed inventories of systems and equipment and by what date is it estimated that each of these agencies will have completed these inventories?
- (5) Which agencies have indicated that their current funding is sufficient for addressing the Year 2000 computer problem?
- (6) Which agencies have indicated that their current funding is insufficient for addressing the Year 2000 computer problem and for each of these agencies what action is being taken to address the funding insufficiency?
- (7) Which agencies have developed appropriate contingency plans for dealing with the Year 2000 computer problem?
- (8) Which agencies have not developed appropriate contingency plans for dealing with the Year 2000 computer problem and by what date is it estimated that each of these agencies will have developed appropriate contingency plans?

Hon N.F. MOORE replied:

(1)-(8) Please refer to the answer given to question on notice 732 of 14 October 1999.

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

745. Hon E.R.J. DERMER to the Leader of the House representing the Minister for Lands:

I refer to the Auditor General's December 1998 report on Audit Results 1997/98 as that report relates to the preparedness of Government agencies to address the Year 2000 computer problem. Of the Government agencies for which the Minister for Lands has Ministerial responsibility -

- (1) Which agencies have their mission critical systems Year 2000 computer problem compliant?
- (2) Which agencies do not have their mission critical systems Year 2000 computer problem compliant and by what date is it estimated that each of these agencies will have their mission critical systems Year 2000 computer problem compliant?
- (3) Which agencies have completed inventories of systems and equipment?
- (4) Which agencies have not completed inventories of systems and equipment and by what date is it estimated that each of these agencies will have completed these inventories?
- (5) Which agencies have indicated that their current funding is sufficient for addressing the Year 2000 computer problem?
- (6) Which agencies have indicated that their current funding is insufficient for addressing the Year 2000 computer problem and for each of these agencies what action is being taken to address the funding insufficiency?
- (7) Which agencies have developed appropriate contingency plans for dealing with the Year 2000 computer problem?
- (8) Which agencies have not developed appropriate contingency plans for dealing with the Year 2000 computer problem and by what date is it estimated that each of these agencies will have developed appropriate contingency plans?

Hon N.F. MOORE replied:

(1)-(8) Please refer to the answer to question on notice 732 of 14 October 1999.

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

746. Hon E.R.J. DERMER to the Leader of the House representing the Minister for Fair Trading:

I refer to the Auditor General's December 1998 report on Audit Results 1997/98 as that report relates to the preparedness of Government agencies to address the Year 2000 computer problem. Of the Government agencies for which the Minister for Fair Trading has Ministerial responsibility -

- (1) Which agencies have their mission critical systems Year 2000 computer problem compliant?
- (2) Which agencies do not have their mission critical systems Year 2000 computer problem compliant and by what date is it estimated that each of these agencies will have their mission critical systems Year 2000 computer problem compliant?
- (3) Which agencies have completed inventories of systems and equipment?
- (4) Which agencies have not completed inventories of systems and equipment and by what date is it estimated that each of these agencies will have completed these inventories?
- (5) Which agencies have indicated that their current funding is sufficient for addressing the Year 2000 computer problem?
- (6) Which agencies have indicated that their current funding is insufficient for addressing the Year 2000 computer problem and for each of these agencies what action is being taken to address the funding insufficiency?
- (7) Which agencies have developed appropriate contingency plans for dealing with the Year 2000 computer problem?
- (8) Which agencies have not developed appropriate contingency plans for dealing with the Year 2000 computer problem and by what date is it estimated that each of these agencies will have developed appropriate contingency plans?

Hon N.F. MOORE replied:

- (1)-(8) Please refer to the answer to question on notice 732 of 14 October 1999.

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

754. Hon E.R.J. DERMER to the Leader of the House representing the Minister for Youth:

I refer to the Auditor General's December 1998 report on Audit Results 1997/98 as that report relates to the preparedness of Government agencies to address the Year 2000 computer problem. Of the Government agencies for which the Minister for Youth has Ministerial responsibility -

- (1) Which agencies have their mission critical systems Year 2000 computer problem compliant?
- (2) Which agencies do not have their mission critical systems Year 2000 computer problem compliant and by what date is it estimated that each of these agencies will have their mission critical systems Year 2000 computer problem compliant?
- (3) Which agencies have completed inventories of systems and equipment?
- (4) Which agencies have not completed inventories of systems and equipment and by what date is it estimated that each of these agencies will have completed these inventories?
- (5) Which agencies have indicated that their current funding is sufficient for addressing the Year 2000 computer problem?
- (6) Which agencies have indicated that their current funding is insufficient for addressing the Year 2000 computer problem and for each of these agencies what action is being taken to address the funding insufficiency?
- (7) Which agencies have developed appropriate contingency plans for dealing with the Year 2000 computer problem?

Hon N.F. MOORE replied:

As at October 1999, the following information is accurate.

- (1) Western Australian agencies are required to be Year 2000 'ready' not 'compliant'. That is, agencies must be able to continue providing their services in the year 2000. Agencies are required to undertake remediation actions and prepare contingency plans to ensure continuity of services across the transition period. If it is appropriate not to be compliant in some areas, then that is the decision and responsibility of the agency Chief Executive Officer. As at October 1999, Western Australian Government agencies have reported an average state of readiness of 94%.
- (2) Not applicable.
- (3) Western Australian agencies are required to report on their planned inventory processes. As at November 1999, 82% of agencies have reported that they have completed 100% of their inventory process with a further 17%

reporting 90-99% completion.

- (4) Not applicable.
- (5) Budgetary allocation of funds for Year 2000 activities is the responsibility of each agency. In their monthly reports to the Deputy Premier, agencies are required to provide an estimate of the amount spent on Year 2000 activities (budgeted and non-budgeted) and an estimate of the amount (budgeted and non-budgeted) further required to expend on Year 2000 activities. As of the end of October 1999, an estimated total of \$143,444,420 was reported by agencies to have been spent on Year 2000 activities with a further \$18,792,648 required to be spent to complete Year 2000 activities.
- (6) Not applicable.
- (7) All agencies are required to prepare contingency plans to ensure continuity of services into the Year 2000. As at October 1999, agencies have reported an average completion of contingency plans of 87%.
- (8) Not applicable.

SUPPLY WEST, SALE

1389. Hon LJILJANNA RAVLICH to the Minister for Transport representing the Minister for Services:

- (1) Can the Minister for Services advise how many contracts were terminated as a result of the decision to sell Supply West?
- (2) What was the cost of terminating these contracts?
- (3) Who bore the cost of terminating the contracts?
- (8) Which agencies have not developed appropriate contingency plans for dealing with the Year 2000 computer problem and by what date is it estimated that each of these agencies will have developed appropriate contingency plans?

Hon M.J. CRIDDLE replied:

- (1) One.
- (2) Negotiations are proceeding to finalise the termination.
- (3) Contract and Management Services will bear the cost and will seek a recoup from proceeds of the sale.

QUESTIONS WITHOUT NOTICE

GOODS AND SERVICES TAX, PUBLIC TRANSPORT CHARGES

848. Hon TOM STEPHENS to the Minister for Transport:

I refer to the minister's inability during question time yesterday to respond to a question about the impact of the goods and services tax on public transport fares.

- (1) Why was the Department of Transport's Acting Director General, Mike Harris, able to provide an answer about the impact of the GST on metropolitan train, bus and ferry fares - and the Minister for Energy was able to detail the GST impact on electricity and gas prices - yesterday when the minister was not?
- (2) Given that the Minister for Energy was able to detail the impact of the GST on electricity and gas prices and Mr Harris was able to disclose the impact on metropolitan train, bus and ferry fares, was the minister simply attempting to avoid stating the impact?
- (3) If so, why?
- (4) Can the minister now confirm that public transport fares will increase by 6.2 per cent?
- (5) Will the minister undertake to table within one sitting day the effect of GST on patronage, and on public transport fares in regional areas?
- (6) If not, why not?

Hon M.J. CRIDDLE replied:

- (1)-(6) I understand that the Acting Director General of Transport made those statements yesterday. I have not concluded that they are entirely accurate and I will get the accurate figures. As I said yesterday, we have done a study of this matter and we will look closely at it. I will table the information when I am good and ready. I will give the House a clear indication when I am satisfied that I have the final figure. It would be irresponsible to table information if it were not the final figure. I will coordinate with the Acting Director General of Transport and get a final

figure. I will announce that figure when we reach the final conclusion.

CROC EISTEDDFOD FESTIVALS, GOVERNMENT FUNDS

849. Hon TOM STEPHENS to the Parliamentary Secretary representing the Minister for Education:

- (1) What funds did the Western Australian Government provide to the Western Australian Croc Eisteddfod Festivals in 1998 and 1999?
- (2) What funds were requested for the 2000 Croc Eisteddfod Festival?
- (3) What funds did the Government offer for this year's festival?
- (4) Is it correct that the Government has failed to provide sufficient financial support to the Croc Eisteddfod Festival and as a result the festival is unable to go ahead?

Hon BARRY HOUSE replied:

I thank the member for some notice of this question.

- (1) I am advised that the Croc Eisteddfod is a program held in towns in the north of the State and provides an opportunity for students, especially Aboriginal students, to participate in arts activities. No funds were provided by the Minister for Education for the Croc Eisteddfod Festivals in 1998 or 1999.
- (2) In 2000, the Minister for Education was asked to provide \$25 000 for the festival in Tom Price and another \$25 000 for the festival in Kununurra.
- (3) The Minister for Education receives many requests for funding for programs which may be of interest to schools. However, the Education Department's funding is directed to supporting programs which encourage improved attendance, literacy and numeracy among students. Therefore, funds to support activities such as the Croc Eisteddfod are limited. While the minister was unable to offer any funds for this year's festival, schools were able to choose to participate if the activities were considered relevant to the needs of their students.
- (4) The Minister for Education has been advised that this year's Croc Eisteddfod has been cancelled but understands that there are plans to hold a festival in 2001. The Minister for Education is unable to comment on the level of funding requested or provided through other portfolios. In this regard the member may like to make inquiries with other ministers.

CARNARVON, PERSONAL DISTRESS AND RELIEF PACKAGE

850. Hon KIM CHANCE to the Leader of the House representing the Premier:

I refer to the Premier's answer, provided by the Leader of the House, yesterday to the Leader of the Opposition that the personal distress and relief package for Carnarvon extends only to those householders whose houses were inundated by floodwaters.

- (1) Can the Premier confirm that, while standing on the front verandah of Mr David Dicks' house, he told Mr Dicks that he would be eligible for this assistance, when clearly water did not pass through that house?
- (2) In the light of the Premier's answer yesterday, can the Premier guarantee that Mr Dicks will receive this assistance? If not, why not?
- (3) If it was never the Premier's intention that that household would receive assistance, why did he say that it would?
- (4) Will the Government now clarify its intention in relation to this program, particularly in the light of the Premier's answer yesterday? Specifically, is assistance available to households where floodwaters have not actually entered houses but have caused significant and costly damage to grounds, gardens, fences etc and left buildings and yards in a dangerous and unsafe condition?

Hon N.F. MOORE replied:

I thank the member for some notice of this question. I have an answer which does not seem to relate to the question. There may have been some sort of typographical problem here.

Hon Tom Stephens: It is standard procedure for your Government.

Hon N.F. MOORE: What a dork the Leader of the Opposition is at times. We spend every day answering about 25 questions. This may be a legitimate typographical error. The answer appears to have no relation to the question; it may well be an error. I will check it out. If Hon Kim Chance asks the question again tomorrow, I will provide him with a proper answer.

PORT KENNEDY PROJECT, REVIEW

851. Hon J.A. SCOTT to the Attorney General representing the Minister for Planning:

- (1) Is the minister satisfied with

(a) the quality; and

(b) the findings

of the review of the Port Kennedy project?

(2) If so, when will the review be released for public scrutiny or tabled in Parliament?

(3) Has the review recommended amendments to the Port Kennedy Development Agreement Act? If so, would the minister please give details?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) The Minister for Planning is satisfied that the review has identified issues to be addressed.

(2) The minister is considering the developer's comments on the review as part of the process of determining any action that may be appropriate.

(3) The review has indicated that there may be a need to consider legislative amendment but does not make any specific recommendations in this regard.

PROSTITUTION, POLICE USE OF ROAD TRAFFIC ACT

852. Hon NORM KELLY to the Attorney General representing the Minister for Police:

(1) Is the minister aware of the Police Service's plans to use sections of the Road Traffic Act relating to road blocks and the searching of vehicles as a practice to control street prostitution?

(2) Is this intended use of the Road Traffic Act consistent with government policy?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) The placing of barricades on roads is one of the strategies being considered by the Police Service and local authorities to address concerns expressed by the community about its safety and security. I draw members' attention to that: It is being considered by the Police Service and local authorities to address concerns expressed by the community. There is adequate legislation under the Road Traffic Act and the Police Act to stop and search vehicles where certain circumstances exist.

(2) Yes, any placing of barricades will be in accordance with the Local Government Act and will be policed in accordance with the Road Traffic Act and regulations.

SHIPPING SIZES AT PORTS

853. Hon MURIEL PATTERSON to the Minister for Transport:

(1) What is the maximum shipping size that the ports of Fremantle, Kwinana, Albany and Esperance can handle?

(2) Are there any plans to increase these capacities in the near future?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of the question.

(1)-(2) The maximum size of shipping in these ports is controlled by the characteristics of channels, the basins available at each port, prevailing tide and weather conditions and the availability of technology such as the dynamic under keel clearance systems. As an indication, the channel depths are as follows: Albany port is 11.5 metres draft; Esperance port, 11.6 metres draft; Fremantle inner harbour, 13 metres draft; and Fremantle outer harbour, 14 metres maximum draft. There are no plans to increase the channel depths of Fremantle and Albany ports; however, Esperance plans to increase its capabilities to accommodate larger vessels. As Hon Muriel Patterson would be aware, the Albany port has plans to construct new berths to accommodate the export of woodchips. However, this does not involve deepening the harbour.

TAX REFORM, COMMUNITY-FUNDED AGENCIES

854. Hon CHERYL DAVENPORT to the Attorney General representing the Treasurer:

I refer to the commonwealth tax reform to be implemented after 1 July 2000 and its effect upon the community sector.

(1) Is the State Government proposing any funding cuts to community care-funded agencies for the 2000-01 financial year to reflect perceived savings from indirect tax reform?

(2) If yes, what is the amount of the tax cuts?

- (3) If yes to (1), what is the Government's estimated savings from indirect tax reform for community funded agencies, and will the Treasurer table any analysis undertaken to determine the estimated savings?
- (4) Will the State Government consider a moratorium on funding cuts for the 2000-01 financial year to monitor the impact of the GST on community funded agencies?

Hon PETER FOSS replied:

- (1)-(4) The amount of funding to be provided to government agencies, which will include funding for community organisations, is being determined as part of the budget process. Those budget considerations include an assessment of the impact of the introduction of the goods and services tax and associated reform measures on agency budgets. Under the intergovernmental agreement signed last July, the Commonwealth is effectively recouping from state budgets the savings in state expenditure expected from indirect tax reform. At the inaugural meeting of the Ministerial Council of Commonwealth, State and Territory Treasurers last Friday, the States raised the issue of grants to charities. The Commonwealth indicated that it would shortly release its definition of "charities" relevant to its commitment last December not to recoup savings from grants to charities, and to work with the States on the implications of this policy for state budgets.

PEEL HEALTH CAMPUS AND ROCKINGHAM-KWINANA HOSPITAL

855. Hon J.A. COWDELL to the Attorney General representing the Minister for Health:

- (1) How many public hospital beds are provided for patients at -
 - (a) the Peel Health Campus; and
 - (b) the Rockingham-Kwinana Hospital?
- (2) How many people are covered by the Peel and Rockingham-Kwinana Health Service?
- (3) What percentage of cases must be referred to other hospitals from -
 - (a) the Peel Health Campus; and
 - (b) the Rockingham-Kwinana Hospital?
- (4) How many of these cases are non-tertiary?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

- (1) (a) 110.
(b) 85.
- (2) 150 000.
- (3) There is no set percentage. Referrals are made according to the clinical needs of the patients and the patients' preferences.
- (4) It is not possible to answer this question as the figures do not distinguish between tertiary and non-tertiary patients.

RALLY AT PARLIAMENT HOUSE, POLICE PHOTOGRAPHS

856. Hon GIZ WATSON to the Attorney General representing the Minister for Police:

At the recent rally for jarrah at the front of Parliament House, uniformed members of the Police Service were taking photographs of members of the public.

- (1) Is it police policy to photograph members of the public at public meetings?
- (2) If so, what is the justification for this activity?
- (3) Does the minister support such activity by the Police Service?
- (4) What are the photographs used for?
- (5) Are the photographs retained?
- (6) Under what policy do the police have the power to take photographs of people attending public meetings?
- (7) Will the minister table the policy?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

- (1) The primary reasons for recording such public events are, first, for the purpose of obtaining evidence of overt acts

which breach the peace, and secondly, if an arrest is made or is likely to be made. The explanatory note indicates that the photographs taken on this occasion were recorded for the purpose of future risk management and planning. These photographs were taken following consultation with the head of security at Parliament House, Mr Ken Craig, because of concern for public safety in relation to members of the public congregating in such a manner as to create a dangerous situation.

- (2) As above. It is for future reference for the development of risk management strategies.
- (3) Yes, but only for the reasons as outlined in (1).
- (4) Future planning of risk management strategies/duty of care for persons assembling in the vicinity of Parliament House environs.
- (5) Yes, for the purposes mentioned above only, and until those strategies have been developed. They are not used for any other purpose.
- (6) It is Western Australia Police Service policy AD-20 as outlined in (1).
- (7) No. It is an internal police policy instruction.

CARNARVON, FLOOD RELIEF PACKAGE

857. Hon TOM STEPHENS to the Leader of the Government representing the Premier:

- (1) What State Government flood relief assistance is available to owners of Carnarvon houses, flats and other properties damaged in the recent floods following cyclone Steve?
- (2) Is the relief package of \$1 000 per adult only available for the tenants of the flooded properties, or is there some assistance for property owners who have the task of repairing and restoring these flood damaged houses, flats and properties?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1)-(2) The Carnarvon local recovery committee, under the criteria established by it in conjunction with Family and Children's Services, carried out an assessment of eligibility for the personal distress and relief package the Premier announced for those households in Carnarvon affected by the flooding. He suggests that any members of the community who feel they qualify for the personal relief assistance should contact the local recovery committee to ascertain their eligibility.

Hon Tom Stephens: What a ridiculous answer! You're leaving them in distress.

Hon N.F. Moore: You carry on as if we caused the flood.

The PRESIDENT: Order!

Hon Tom Stephens: You're a heartless Government.

Hon N.F. Moore: You're trying to make political mileage out of a natural disaster.

Hon Tom Stephens interjected.

The PRESIDENT: Order! If the Leader of the Opposition wants to ask more questions, he should cease interjecting. The Leader of the Government will not respond. I have more than enough questions today, and I will not get through them all if he persists.

EDUCATION DEPARTMENT, BLOCKING OF EMAIL COMMUNICATION AND INTERNET ACCESS

858. Hon HELEN HODGSON to the Parliamentary Secretary to the Minister for Education:

- (1) Does the Education Department have a policy in respect of monitoring or blocking Internet access and email communication by employees; if so, will the minister table that policy?
- (2) Has the Education Department blocked email communications or Internet access between employees and any trade unions?
- (3) If yes to (2) -
 - (a) What site or domain names have been blocked;
 - (b) was this in accordance with departmental policy;
 - (c) who authorised the blocking of access; and
 - (d) on what date did the block commence, and is it still in place?

Hon BARRY HOUSE replied:

I thank the member for some notice of this question.

- (1) The Education Department does not have a general policy in respect of monitoring or blocking Internet access and email communication by employees. However, a range of policies deal with the use of email and Internet facilities to ensure both are used in an appropriate manner.
- (2) The Education Department blocked email communication from the Community and Public Sector Union-Civil Service Association after it electronically mailed information to thousands of its members in the department without authority and without regard for its effect on the performance of the department's computer network.
- (3)
 - (a) All messages originating from the cpsucsa.asn.au domain were blocked.
 - (b) Yes, the effect of the bulk email from the cpsucsa.asn.au domain was to cause severe messaging delays on the Education Department's mail service and threatened the department's ability to continue to provide computer network services to schools, district offices and the central office.
 - (c) It was the director, employee relations, in consultation with the manager, technology and telecommunications.
 - (d) It was 28 February 2000. The block is still in place. The department is prepared to discuss with the union establishing appropriate protocols for it to communicate with its members by email.

BICYCLE HELMETS

859. Hon MARK NEVILL to the Minister for Transport:

- (1) What research was done before the introduction of the compulsory use of bicycle helmets by adults?
- (2) Was the introduction of this law as a result of a requirement by the Federal Government before road funding grants were released?
- (3) What research or evidence was provided by the Commonwealth in support of this requirement before road funding was released?
- (4) Will the minister table this supporting evidence?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1),(3) Compulsory helmet wearing by cyclists was gazetted on 24 December 1991 as a regulation of the Road Traffic Code 1975. It became law on 1 July 1992. Its introduction followed a 1990 federal government review of head injuries sustained by cyclists, and a subsequent review by a working party established by the then Minister for Police in Western Australia. The working party confirmed that head injuries were unacceptably high and would be reduced by cyclists wearing helmets.
- (2) Compulsory helmet wearing by cyclists was one point of a 10-point federal government road safety strategy in 1990-91. The federal black spot funding to the States was conditional on adoption of the strategy.
- (4) The original supporting evidence is not readily available. However, a 12 May 1994 report by Western Australia's Select Committee on Road Safety contains evidence in support of the decision, and its recommendation was consequently that compulsory helmet wearing be retained.

WESTRAIL SPECIAL CONSTABLES, POLICE BACKUP

860. Hon RAY HALLIGAN to the Attorney General representing the Minister for Police:

What steps has the Government taken to ensure that Westrail special constables are given adequate police backup to help increase the level of security for the travelling public?

Hon PETER FOSS replied:

I thank the member for some notice of this question. The Western Australia Police Service, through the Perth district office, has developed an effective working relationship with the Westrail special constables over a period. This relationship has seen Westrail special constables attending police operational briefings, especially on Friday and Saturday evenings. This coordinated approach has enabled both agencies to deploy resources to areas on a priority basis. In more recent times, the Police Service has increased the number of foot patrols to high profile areas in close proximity to the Perth railway station. In addition, a metropolitan region task force has been formed and has been deployed to target antisocial and criminal activity at the Perth railway station and the Perth cultural centre. Officers from the Police Service and Westrail consult on a regular basis to ensure that effective rostering and exchange of information occurs for the benefit of both agencies and the community generally. The Police Service will continue to provide a sufficient number of uniformed personnel in the vicinity of the Perth central railway station to assist the special constables in ensuring community safety and security.

GOODS AND SERVICES TAX, CHARGES AND FINES

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

I refer to your statement in Parliament last Tuesday, in particular that "most health, education, water and sewerage charges, as well as fines and penalties, also will not attract GST".

- (1) Given that none of these charges is detailed in the list you tabled, will you now provide a list of those health, education, water and sewerage charges, as well as fines and penalties, which will attract a goods and services tax?
- (2) If not, why not?

Hon N.F. MOORE replied:

I am tempted not to answer the question because it is not addressed to me; it is addressed to the Premier. Hon Ljiljanna Ravlich refers to "your" statement. I wish members opposite would learn the rules. The member has not asked the question of me representing the Premier; she has asked a question relating to what the Premier said. She said, "I refer to your statement in Parliament last Tuesday". I did not make a statement in Parliament last week. I wish that members opposite would occasionally take notice of what the rules require, because I could easily say that I did not make a statement in Parliament and just sit down.

Hon Ljiljanna Ravlich: If there is no goodwill on your part, do not expect any on mine.

Hon N.F. MOORE: I am losing it rapidly today when the Leader of the Opposition tries to make political mileage out of people's misery. It puts me right off, having seen what those people are putting up with. I ask members opposite to read the standing orders about questions and endeavour to ensure that their questions are asked in the proper form. I am responsible for the answers I give. I will not take responsibility for answers which are not mine and which are not addressed to me in my representative capacity. This answer has been provided by the Premier.

- (1)-(2) The issue which the member has raised was identified in a document tabled by the Premier last week. The GST legislation ensures that most health, education, water and sewerage charges will be GST free. The Commonwealth is currently developing detailed rulings and ministerial determinations to clarify the precise scope of these GST-free areas. It is not possible to list individually the health, education, water and sewerage charges that may be subject to the GST while those rulings and determinations are still being finalised. The Commonwealth has advised that all fines and penalties will be excluded from the GST as there is no "supply" for GST purposes.

MILK QUOTAS**862. Hon CHRISTINE SHARP to the minister representing the Minister for Primary Industry:**

- (1) How long have milk quotas been in effect in Western Australia?
- (2) How long have milk quotas been a saleable commodity?
- (3) To what extent is it estimated that the purchase price of milk quotas has contributed to dairy farmer debt?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) The Dairy Industry Authority first issued milk quotas in 1975. This system replaced contracts previously issued by the Milk Board, which commenced operation in 1933.
- (2) Milk quotas have been traded between producers at auction since November 1986. Previously quotas could be surrendered to the Dairy Industry Authority, transferred between family members, or sold as part of walk-in, walk-out sales of dairy farms.
- (3) Debts incurred for the purchase of quotas are confidential, commercial arrangements.

PASSENGER RAIL CARS, LEASE**863. Hon KEN TRAVERS to the Minister for Transport:**

I refer to an advertisement in *The West Australian* on Saturday, 26 February seeking expressions of interest in providing a lease of passenger rail cars for use on the Perth suburban network.

- (1) Why was the period for expressions of interest for such a major contract only two and a half weeks?
- (2) Has anyone expressed an interest in providing these rail cars?
- (3) Is this a sign of the Government's intention to lease or franchise the whole of the passenger rail car fleet in Perth in the near future?

Hon M.J. CRIDDLE replied:

- (1)-(3) If that advertisement called for expressions of interest, obviously I would not have the result of those expressions of interest, but I will investigate the issue.

Hon Ken Travers: Why was it such a short period?

Hon M.J. CRIDDLE: I will investigate the issue. I know that we are looking for carriages.

Hon Ken Travers: Why are you leasing them?

Hon M.J. CRIDDLE: That is something we normally do.

DEPARTMENT OF MINERALS AND ENERGY, KINGSTREAM STEEL-FUNDED NATIVE TITLE CLAIMS

864. Hon TOM STEPHENS to the Minister for Mines:

- (1) What involvement has the Department of Minerals and Energy had in the negotiation of future act matters with the Kingstream Steel-funded native title claimants?
- (2) If the department has had no involvement, why has the minister allowed his department to fail in its responsibility to convene and sponsor negotiations on future act matters.

Hon N.F. MOORE replied:

I presume the Leader of the Opposition is talking about the Mineralogy Pty Ltd issue. Can the Leader of the Opposition pass me a copy of the question?

Hon Tom Stephens: I am talking about the Kingstream Steel-funded native title claimants.

Hon N.F. MOORE: That is the one in the Pilbara which has been disputed by Mineralogy.

Hon Tom Stephens: There is at least that one, but you can talk about that one if you like.

The PRESIDENT: Order! If the Leader of the Opposition wants to hand the question over, the Leader of the House may be better informed; otherwise, the Leader of the House is entitled to advise the House on what he assumes and answer accordingly.

Hon N.F. MOORE: I advise as follows -

- (1) This concerns the Department of Minerals and Energy's involvement with matters related to the Kingstream Steel-funded native title claims. I presume the Leader of the Opposition is talking about the claimants in the Pilbara, about whom there was a program on television the other night. I am not aware of what negotiations have been conducted in respect of that, but I shall find out for the Leader of the Opposition. Many claims are being made in respect of native title. I do not carry around in my mind all of them, but there are thousands of them.
- (2) If it were a requirement of the department to be involved with negotiations on future act matters, I have no doubt it would be involved. I will find out the details and provide them for the Leader of the Opposition.

AGENCY SPECIFIC CONTRACTS, COSTS

865. Hon G.T. GIFFARD to the minister representing the Minister for Works:

I refer to the agency specific contracts table on page 24 of Contract and Management Services' annual report 1998-99, in particular the \$9 476 increase in cost per agency specific contract against the target figure, and ask -

- (1) Were the costs of introducing and developing agency specific contracts as a service to be offered by regional offices included in the calculations of the target figure?
- (2) What resources were transferred from other areas to CAMS?
- (3) What proportions of the contract let costs were -
 - (a) the redistribution of resources to CAMS;
 - (b) the introduction of this product as a service to be used by regional offices; and
 - (c) the allocation of CAMS overheads based on a different formula?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) No. At the time the target figure was published, the product was at a developmental stage for regional areas with no allocated resources. The actual figure for the 1998-99 financial year included 20 per cent of the costs of the regional offices as contract consultants were then delivering agency specific services. The 20 per cent was an estimate of the level of resources committed to this product in the country.
- (2) No resources were transferred from other areas of government to CAMS. The number of staff in the client advisory services increased from eight in 1997-98 to 12 in 1998-99, to enable the unit to respond to increasing demand from agencies and the increasing complexity of the contracts being developed. The assignment of additional staff was possible due to realignment undertaken in other work units within CAMS, primarily those not involved in direct service delivery. This change was decided after the target figures had been published.
- (3) The estimate for the target reflected the existing resources and cost allocation formula as at the third quarter of 1997-98. The remaining proportions are as follows -
 - (a) redistribution of resources within CAMS - 14 per cent;

- (b) introduction of this product as a service to be used by regional offices - 16 per cent; and
- (c) adoption of a new cost attribution model for CAMS overhead - 35 per cent.

A new model for cost attribution of corporate overheads and indirect costs was developed during 1998-99 as part of CAMS' ongoing management improvements. This was based on a comprehensive activity analysis and replaced a system simply based on staff numbers.

STATE-LOCAL GOVERNMENT ROAD FUNDING AGREEMENT

866. **Hon TOM HELM to the Leader of the House representing the Premier:**

I refer to the state-local government road funding agreement renewal and the media release put out by the President of the Western Australian Municipal Association stating that the Premier gave his assurance the Government would sign off on the agreement and that they saw this as a test of the Premier's leadership; either he will lead the Government to honour the commitment he has given to local government, or he will be overrun by the bureaucrats, and ask -

- (1) Will the Premier confirm that he gave an assurance to WAMA that the Government would sign off on the agreement?
- (2) If so, will the Premier explain why the WAMA president, and soon to be announced Liberal Party candidate for Greenough, is claiming that Treasury officials have refused to advance the agreement under the arrangements accepted by the Premier?
- (3) Is it the case that Treasury officials are not honouring the commitment given by the Premier to provide guaranteed levels of road funding?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1)-(3) The Premier is fully committed to signing off a new funding agreement with WAMA. This process is being coordinated by the Minister for Transport and Main Roads WA. The new agreement is expected to be completed shortly.

This Government has made a greater commitment to the Western Australian road system than any previous State Government. Total Main Roads Western Australia expenditure on roads has increased from around \$332m in 1993-94 to a level this year of approximately \$830m. We are funding two major road initiatives, which total in excess of \$2.26b. Moreover, the Government is providing this improvement in the roads system without any reliance on tolls in the future. Local government has been a beneficiary of the Government's substantially increased commitment to road funding. It will continue to enjoy the benefits of the work done so far and the Government's commitment to continue road funding at high levels.