Parliamentary Debates
(HANSARD)

THIRTY-FIFTH PARLIAMENT
THIRD SESSION
2000

LEGISLATIVE COUNCIL

Wednesday, 21 June 2000

Legislative Council

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THE PRESIDENT (Hon George Cash) took the Chair at 3.00 pm, and read prayers.

URANIUM MINING IN WESTERN AUSTRALIA

Petition

Hon Giz Watson presented the following petition bearing the signatures of 9 903 persons -

> To the Honourable the President and members of the Legislative Council of the Parliament of Western Australia in Parliament assembled.
>
> We the undersigned residents of Western Australia oppose the proposal to establish a uranium mining industry in Western Australia because of its associated health impacts on members of the community.
>
> Your petitioners, therefore, respectfully request that the Legislative Council will investigate and evaluate the acceptability of a uranium industry measured against the known health hazards for workers in the uranium and associated industries, and on the residents of Western Australia, arising from the establishment of a large number of uranium mines in this State.
>
> Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

[See paper No 1081.]

FINANCE BROKING INDUSTRY IN WESTERN AUSTRALIA - APPOINTMENT OF SELECT COMMITTEE

Motion

Resumed from 1 June on the following motion moved by Hon Ken Travers -

That -

(1) A select committee of three members shall be appointed.

(2) The committee be appointed to inquire into and report on reasons for losses associated with the finance broking industry in Western Australia, including but not limited to -

  (a) the statutory responsibilities relating to the finance broking industry;

  (b) avenues for legal redress for investors;

  (c) consideration of the adequacy of existing legislation to prevent a recurrence of the events which led to the loss by investors who relied on finance brokers.

(3) The committee have power to send for persons, papers and records and to move from place to place.

(4) The committee report to the House not later than 31 October 2000, and if the House do then stand adjourned the committee do deliver its report to the President who shall cause the same to be printed by authority of this order.

HON MURRAY MONTGOMERY (South West) [3.04 pm]: As I indicated the last time we debated this issue, the Gunning inquiry being held outside this House should continue as it is presently structured without interference. As Hon Bill Stretch said by way of interjection, it is the only way that a fair conclusion can be reached. It is important that we on this side of the House are committed to just that: Ensuring that a fair conclusion is reached. Members on the other side of the House appear to be intent on political point-scoring. It is more than interesting to note that members on the other side of the House accuse government members of filibustering. I recollect a debate in this House some years ago when Hon Kim Chance, as the lead opposition speaker, took six or more hours to debate an industry Bill. If we on this side of the House are accused of filibustering, and I concede I have spoken for approximately 10 minutes, six hours appears to be a long way away from where I am.

Hon N.D. Griffiths: Yes, but he was saying something.

Hon MURRAY MONTGOMERY: When Hon Kim Chance was saying something during that debate, I recollect sitting where the President now sits -

Hon N.D. Griffiths: You were a very good Deputy President and you were very interesting.

Hon Tom Stephens: You may reflect on the Chair in that if you were sitting there I am sure you would not have allowed a filibuster. You are reflecting upon yourself.

Hon MURRAY MONTGOMERY: Hon Tom Stephens, as Leader of the Opposition, would know exactly what I am talking about.

Hon Tom Stephens: The people who hold the position of Chair do it very well.

Hon MURRAY MONTGOMERY: Obviously members still have some thoughts about where we should go with this motion.

Amendment to Motion

Hon MURRAY MONTGOMERY: I move -

To insert the following new paragraph (3) -

(3) The committee in its proceedings avoid interfering with or obstructing any inquiry being conducted into related matters and in particular inquiries by -

(a) the police;

(b) any liquidator or supervisor of any company;

(c) the Gunning inquiry;

(d) the Australian Securities and Investments Commission; or

(e) any prosecution.

That amendment to the motion underlines the point that any inquiry established by this House should ensure that it does not cut across the types of inquiries I have listed in the amendment. The House should endorse the addition of that third paragraph.

The PRESIDENT: Before I put the question, debate on this motion has continued for considerable time, and most members have spoken either to the motion as their principal speech or to a number of amendments. The only discussion which can occur on this amendment is that which is strictly in accordance with the proposal outlined in the amendment. No deviation will be allowed.

HON KEN TRAVERS (North Metropolitan) [3.11 pm]: The Labor Party supports the amendment. I note that when this amendment was mooted at the start of Hon Murray Montgomery's speech, he used the word "impeding" any inquiries. I based my response on that term. However, using "obstructing" or "impeding" does not significantly change the position.

The proposal outlined in the amendment was always the Labor Party's intention, certainly following Hon Norm Kelly's comments that he supported working alongside the Gunning inquiry with no crossover in efforts. I indicated outside the House that I would give such a commitment in summing up debate as a potential member of the proposed committee. This amendment deals with that aspect.

The comments made by the President immediately before my rising are correct: The debate has been going for too long. The fact that I have indicated that the Labor Party supports the amendment means that no further speeches from government members will be necessary. People in the community are waiting for the committee to be established. If this amendment is required to get the Government's support for the motion, all well and good.

However, this committee would not be necessary if the Government had done what it should have done on day one; namely, established a broad-ranging judicial inquiry into what is happening with the financial broking industry. We would not have needed a number of inquiries and a select committee taking place at the same time. We need a select committee because the Gunning inquiry does not have the necessary terms of reference. A select committee of this House is needed to operate while the Gunning inquiry is working. This amendment will stop us obstructing or interfering with that inquiry; I am sure no-one wants a select committee to interfere with the Police Service and its prosecutions. It is great to see that the police have proceeded to lay charges against individuals involved, many of whom were highlighted by Hon Jim McGinty, for which he was attacked by the Leader of the Government in this House. People are getting on with the job. The Labor Party does not want to obstruct or interfere with those people or stop them getting to the bottom of the matter. As I said all long, this amendment would not be necessary if a full and proper judicial inquiry had been called in the first place. The opportunity still exists for the Government to establish that inquiry. Undoubtedly, the Gunning inquiry does not have the necessary terms of reference to get to the bottom of the matter.

Point of Order

Hon PETER FOSS: I intended to speak directly to the amendment. I am disturbed that we appear to be canvassing the original grounds for establishing the committee, not whether the committee should interfere with other inquiries taking place.

The PRESIDENT: I have listened carefully to Hon Ken Travers, and so far he has focused on the amendment before the House. The mere fact that he mentioned the Gunning inquiry in itself does not breach standing orders; in fact, the amendment refers to the Gunning inquiry. It is true that it is not for Hon Ken Travers to canvass the general principle which may have been used to establish the Gunning inquiry. It is not unreasonable to raise some matters incidental to the inquiry in his comments on this amendment. There is no breach of standing orders at the moment.

Debate Resumed

Hon KEN TRAVERS: I appreciate your comments, Mr President. I intend to restrict my comments to this amendment. As I said at the beginning of my contribution, the select committee would not be necessary if an all-encompassing inquiry were being held, instead of the unfortunate situation of a piecemeal inquiry.

Hon Greg Smith interjected.

Hon KEN TRAVERS: The interjector is trying to tempt me off the matter at hand. It is clear that the Gunning inquiry cannot make findings against the minister, regardless of whether he turns up.

Hon Peter Foss: Stop filibustering.

Hon KEN TRAVERS: I am not. I do not intend to take up any more of the House's time. The Labor Party supports this amendment. I see no necessity for members opposite to speak on this amendment. The Labor Party accepts it. Undoubtedly, we have debated this issue for long enough. We need to finish the debate as soon as possible so that the amendment can be inserted into the motion and we can finally have a proper redress for investors who have lost money in the financial broking saga.

HON PETER FOSS (East Metropolitan - Attorney General) [3.18 pm]: I certainly do not intend to speak for as long as Hon Ken Travers spoke. I would have spoken for much less time than I will if the member had not made a number of outrageous statements.

I applaud the fact that the Labor Party supports the amendment. However, that does not mean the Government supports the principal motion - the member drew the wrong conclusion in that regard. The Government has always indicated that it does not support the proposed committee. However, this amendment will certainly mitigate some of the problems which can arise from such a committee, one of which is the capacity, as a result of the supremacy of Parliament, to interfere with the judicial inquiry being carried out by Judge Gunning. I reiterate the fact: Despite the outrageous remarks made by Hon Ken Travers about the Gunning inquiry, it is a judicial inquiry. There is no formal animal called a judicial inquiry. Various inquiries are established under statutory powers which may or may not have a judge in charge. The Gunning inquiry was established under the Public Sector Management Act and has a judge in charge. Therefore, as much as anything else, it is a judicial inquiry. With all the matters listed in the amendment - the police, liquidator or supervisor, the Gunning inquiry, the Australian Securities and Investments Commission or any prosecution - Parliament is supreme. Notwithstanding that these people are doing an excellent job - and I was pleased to hear Hon Ken Travers acknowledge the important role of the police - the problem is the limited time that members of Parliament can give to any inquiry; that is, by looking into the same areas as the people referred to in the amendment, a parliamentary committee may call witnesses and get hold of documents and then hold them until the committee members can meet to consider them, which would hold up the proper conduct of the other inquiries. I hope and expect that every parliamentary committee would do this as a matter of self-restraint. I am, therefore, pleased to see that the Labor Party will support this amendment. I would have been extremely concerned if it had indicated even the slightest reluctance to support it.

A further reason it is important to pass this amendment, rather than merely have the self-restraint of the committee, is that it becomes part of the terms of reference of the committee. As members are aware, the terms of reference of a committee dictate not only what it may do but also the capacity of a witness summonsed either to give evidence or to produce documents under the Parliamentary Privileges Act to raise objection to the summons. When people such as the police, the liquidator or supervisor of a company, the members of the Gunning inquiry or the Australian Securities and Investments Commission or any prosecution, are summonsed, and they believe it involves a matter that will interfere with their inquiry, they will not have to throw themselves on the mercy of the committee. Under the Parliamentary Privileges Act, they can object to the summons. That is a very important amendment. It is not just a matter of relying upon the goodwill of the committee, although I am sure the committee would have goodwill. It is not just relying on the sense of the committee, although I would assume that the committee was sensible. It is not just relying upon the advice of an officer of the committee, although I am sure the advice given by officers of the committee would be good. It means that under the Parliamentary Privileges Act they have the right to raise as an appropriate objection to any summons to give evidence or to produce documents, that the summons has the capacity to interfere with or obstruct any inquiry being conducted into related matters and particular inquiries by (a), (b), (c), (d) or (e).

I rose on this occasion because I wish it to be on the public record, and I wish everybody here to understand, that people summonsed before that committee should be aware that a remedy is available to them and they are not totally beholden to the committee. If they are carrying out their lawful duty, their duty to the public, and doing the things they are paid full time to do - that is important, because they will be getting on with inquiries full time unlike members of Parliament who have only the time to deal with committees in between their many other parliamentary duties - they will have the capacity to raise that matter. That is a very important point. I welcome the Opposition's support of the motion. As originally stated, I do not wish to speak for very long. I support the amendment although the Government's attitude is that it still opposes the motion.

Amendment put and passed.

Motion, as Amended

HON KEN TRAVERS (North Metropolitan) [3.24 pm]: It gives me pleasure to close off the debate on this matter; it has been a long time coming. The time specified in the terms of reference for the committee to report has been shortened to

31 October. Nonetheless, if the appointment of the select committee is supported by this House it will provide some level of redress for the questions that investors are seeking to have answered. It was instructive throughout the debate to listen to government members. Although I commented on the public perception of the Gunning inquiry and whether it was appropriate, it was a small part of my remarks to this place. The majority of my remarks indicated that the Gunning inquiry does not and never will have the necessary terms of reference to investigate what went on in the finance broking saga. It is still the view of the Labor Party that the best outcome would be a judicial inquiry. Members on the other side who spoke on this debate ignored the call for a judicial inquiry with broad-ranging terms of reference. That is different from the Gunning inquiry which has narrow terms of reference.

While we debated on the motion we saw the narrowness of those terms of reference. The inquiry has not called in a single broker, land valuer and the like - the people who have created the mess that we are in. The minister has attended the inquiry, and that is interesting. At the end of the day the Gunning inquiry cannot make any findings about the formal actions or otherwise of the minister. That is why the questioning in recent days has been fairly narrow.

The comments throughout the debate by members on the other side have been instructive. They ranged around the tired old argument that came out on day one of this issue that somehow it was the investors' fault. If they invested their money and chased the high returns they deserved to get their fingers burnt. I hope the select committee will be able to get to the bottom of the matter.

Hon Greg Smith: We said if people acted improperly they will be charged.

Hon KEN TRAVERS: Government members have also said that the people were chasing high returns, and higher returns equate with higher risk, so they knew what they were getting into. I regularly listened to speeches throughout the debate.

Hon Derrick Tomlinson: Point out where I said that.

The PRESIDENT: Order! I am listening to Hon Ken Travers

Hon KEN TRAVERS: It is clear that not every member has made that comment. I referred to members from the other side and not to every member.

Hon Derrick Tomlinson: You are changing your position. You said you listened to all of the positions.

Hon KEN TRAVERS: I listened to all of the speeches and I heard it in a number of them. The select committee will have many things to investigate. I acknowledge the comments by the Attorney General about the committee's workload, and that will be significant. However, we are going into a parliamentary recess and that will give the committee time to get well and truly under way to look at the issues.

I gave an undertaking to Hon Norm Kelly about my concluding remarks. The amendment that has been moved by Hon Murray Montgomery picks up on that undertaking. However, at the earliest opportunity the committee should seek to meet with some of those groups outlined to look at where they are going so it does not hinder, interfere or obstruct what the police and the Gunning inquiry are doing. It is looking at a very narrow set of terms of reference. My concern is that, because of those narrow terms of reference, when it reports it will be seen to be purely as a result of actions of public servants and the problems of the investors, which has been the general view that the Government has put forward to date. This select committee is very necessary for the people who have lost money and who still have money significantly at risk as a result of what has been going on in the finance broking industry. There are many aspects to what came together to create the problems that we now face. I urge all members in this House to support the establishment of this select committee.

Question put and a division taken with the following result -

Ayes (16)

Hon Kim Chance	Hon G.T. Giffard	Hon Norm Kelly	Hon Tom Stephens
Hon J.A. Cowdell	Hon N.D. Griffiths	Hon Ljiljanna Ravlich	Hon Ken Travers
Hon Cheryl Davenport	Hon Tom Helm	Hon J.A. Scott	Hon Giz Watson
Hon E.R.J. Dermer	Hon Helen Hodgson	Hon Christine Sharp	Hon Bob Thomas *(Teller)*

Noes (15)

Hon M.J. Criddle	Hon Peter Foss	Hon M.D. Nixon	Hon W.N. Stretch
Hon Dexter Davies	Hon Ray Halligan	Hon Simon O'Brien	Hon Derrick Tomlinson
Hon B.K. Donaldson	Hon Murray Montgomery	Hon B.M. Scott	Hon Muriel Patterson *(Teller)*
Hon Max Evans	Hon N.F. Moore	Hon Greg Smith	

Pair

Hon Mark Nevill	Hon Barry House

Question (motion, as amended) thus passed.

Appointment of Members

HON KEN TRAVERS (North Metropolitan) [3.34 pm]: I move -

> That this House appoints Hon Graham Giffard, Hon Ray Halligan and the mover as members of the select committee and that the mover be the chairman of the committee.

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [3.34 pm]: The Government does not have a lot of choice in this because we have already been told - we debated the question of membership before - that we would get a committee that was lopsided. There happens to be 17 members on this side of the House. When I say this side of the House, I include you, Mr President, because you were elected as a Liberal member. There are a combination of other parties on the other side of the House. We find that the Labor Party, with 11 members for the time being - it might even be 10 if things continue the way they are - has two members out of three on the committee.

Hon Tom Helm interjected.

Hon N.F. MOORE: I am not talking about Hon Tom Helm. Maybe something is happening for all we know.

Hon Tom Helm: Tell me what you know? Am I being expelled?

Hon N.F. MOORE: I am fascinated to find that two Labor members and one Liberal member are mentioned in the motion. Where are the minor parties? Are they not interested in being part of this inquiry? I thought we might have a different balance, not a proper balance, by having at least one member from the Independents or the minor parties.

Hon Tom Stephens: Do not try to kill them. You know they are in short supply and are working very hard.

Hon N.F. MOORE: Labor Party members are in short supply too, because the electors gave the Labor Party only 12 members and it is down to 11 members now. They are in short supply, but they can find two Labor Party members and only one Liberal Party member. We have plenty of people who are happy to go on the committee if opposition members want two of us and one member from the Labor Party. There are plenty of people who will make their time available to do the job properly. If anybody has any doubt about the rationale and the reasons behind this inquiry, this motion makes it plain and clear for everybody. It is a straight-out political exercise by the Labor Party to try to score some political points; it is nothing more and nothing less. If members opposite were the vaguest bit interested in coming to some reasonable conclusion about this and finding out what are the problems, they would have had a balanced committee. We have talked about this before and we argued that the representation on the committee needed to reflect the membership of this House. That was defeated, but I assumed, wrongly as it turns out, that by having three members, we would have one member from the 17 members on this side of the House, one from the 11 members of the Labor Party and one from the other six members who make up the other parties. Instead, there are two members from the Labor Party. The other members just sit there and let it go by. They did not even talk. I do not know their views on this matter.

Hon Norm Kelly: We did not even talk! You should have listened to my speech!

Hon N.F. MOORE: Is that what it was?

Several members interjected.

The PRESIDENT: Order, members! Members heard the motion that is before the Chair. It is simple: It is to appoint three members of the House to be members of this committee. That is what the debate is about at the moment - nothing else.

Hon N.F. MOORE: We have the nominations of two Labor members and one Liberal member. That is outrageous! I would be interested to know why the Australian Democrats, the Greens (WA) and the Independent do not want to go on the committee. Surely they are interested in this issue? We have been told by the Labor Party and *The West Australian* that this is the biggest issue facing mankind these days; yet, members opposite sit back and allow two Labor members to go on the committee.

Hon Tom Helm: What is wrong with Hon Ray Halligan?

Hon N.F. MOORE: Hon Ray Halligan will be representing 17 members and Hon Ken Travers will be representing five and a half members. I am not sure who is the half, but I have a fair idea. The new member will also be representing five and a half members, and we know who that half is as well. It is simply a demonstration of what the Labor Party is all about on this particular issue. It is not vaguely interested in finding out what is going on. It is just interested in some political agenda it keeps pushing in the hope that it can score some more political points and front pages. It cannot get many more front pages than it has already, so maybe it will not make a lot of difference at the end of the day. How can anybody who reads the final report of this committee place any credence on the report and take any notice of it? It is a straight-out political exercise. Its report is tainted before it is even written.

Hon Tom Stephens: When Hon Joe Berinson made a speech he at least showed more panache and style.

Hon N.F. MOORE: Perhaps he did have more panache.

Hon Tom Stephens: Nonetheless, you used to ignore him in the same manner as we are choosing to ignore you.

Hon Barry House: You cannot even spell the word let alone know what it means.

Hon N.F. MOORE: I do not remember a motion being moved to have numbers of this nature on a committee, but that is another story. By having these three people elected to this committee, two of whom are Labor members, the report of the committee will be of no consequence before it is even written. The hearings will be a straight out political exercise. The other two members will take no notice of Hon Ray Halligan's remarks if they do not agree with him.

Hon Greg Smith: Provided there are enough for a quorum.

Hon N.F. MOORE: Perhaps they will meet without him. I guess it will not make much difference because two always beat one in this business. Everyone who can see what is occurring now can see that this is a straight out political attempt by the Labor Party to score political points on this issue while a proper inquiry is being undertaken. If members do not believe that a fair amount of material is being reported in the Press, they do not read the newspapers, listen to the radio or watch television.

Hon W.N. Stretch interjected.

Hon N.F. MOORE: I agree entirely.

The PRESIDENT: Order! I am trying to put a vote on the motion before the Chair. I do not need any help from other members. I want the Leader of the House to complete his remarks so that we can move on.

Hon N.F. MOORE: I will sit down now, Mr President. However, the Government will vote against this motion. If the House disagrees with the motion, I will move a subsequent motion to appoint members to this committee.

Question put and a division taken with the following result -

Ayes (16)

Hon Kim Chance	Hon G.T. Giffard	Hon Norm Kelly	Hon Tom Stephens
Hon J.A. Cowdell	Hon N.D. Griffiths	Hon Ljiljanna Ravlich	Hon Ken Travers
Hon Cheryl Davenport	Hon Tom Helm	Hon J.A. Scott	Hon Giz Watson
Hon E.R.J. Dermer	Hon Helen Hodgson	Hon Christine Sharp	Hon Bob Thomas *(Teller)*

Noes (15)

Hon M.J. Criddle	Hon Peter Foss	Hon N.F. Moore	Hon Greg Smith
Hon Dexter Davies	Hon Ray Halligan	Hon M.D. Nixon	Hon Derrick Tomlinson
Hon B.K. Donaldson	Hon Barry House	Hon Simon O'Brien	Hon Muriel Patterson *(Teller)*
Hon Max Evans	Hon Murray Montgomery	Hon B.M. Scott	

Pair

Hon Mark Nevill	Hon W.N. Stretch

Question thus passed.

Points of Order

Hon TOM STEPHENS: I seek assurance, Mr President, that despite the difficulties facing the House, with its diminished resources, this select committee will be allocated the necessary resources so that it can expeditiously do all the work it needs to do at the earliest possible opportunity.

The PRESIDENT: Order! I understand the sentiments of the Leader of the Opposition, but the President is not the person who determines the resources allocated to committees. However, I recently met with members of the Estimates and Financial Operations Committee to discuss the budget of the Legislative Council and I indicated its somewhat parlous state. I made the point during that meeting that when select committees in particular are established but no budget has been set and agreed to by the Government, there may be a need to apply to the Treasurer for additional funds. Parliament's role is supreme and the Parliament has ordered that a select committee be established to inquire into the matters contained in motion No 1. I raise that point to make the Leader of the Opposition aware of where I am coming from regarding resources generally in the Legislative Council for not only select committees that could be established from time to time but also existing standing committees and other matters. I hope that in due course the estimates committee will report on the meeting that was held a few weeks ago. The fact is the Leader of the Opposition has raised the issue and that matter will be taken into consideration.

Hon N.F. MOORE: I am pleased that the Leader of the Opposition now believes that committees should be funded by the Parliament. He will recall that for many years the only standing committee in this House was the Standing Committee on Government Agencies, which had neither a clerk nor any other person working for it because the person with all the panache who was sitting here, the then Minister for Finance, Hon Joe Berinson, refused to give this House any money for committees - not one cent.

Hon Tom Stephens: Things have changed.

Hon N.F. MOORE: Things have changed because Hon Tom Stephens is sitting on the other side with the numbers.

The PRESIDENT: Order, Leader of the House. I am happy to hear points of order but I do not want a debate on the issue.

I have now heard, not points of order, but points of explanation from both the Leader of the Opposition and the Leader of the House. I say to all members of the House that if they want this place to function in a proper manner, their support is needed to obtain proper funding for committees, irrespective of who is the Government of the day.

TENDERING FOR LOCAL CONTRACTS - REVIEW OF GOVERNMENT POLICY

Motion

Resumed from 30 March on the following motion moved by Hon Tom Helm -

> 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 M.J. CRIDDLE (Agricultural - Minister for Transport) [3.49 pm]: I last rose to reply to this on 30 March, having had a couple of opportunities to reply earlier when I outlined that the Opposition had not identified the issues. I will put forward some facts and figures to show that small business is a winner. I will inform members of some of the compelling evidence that shows that small business is a big player in government contracting in Western Australia. An estimated 90 per cent of all contracts awarded by Contracts and Management Services goes to small business. As a member of the Agricultural region, I am heartened by the support of CAMS for rural and regional Western Australia. Last year 80 per cent of all contracts awarded through CAMS regional officers went to local suppliers.

Hon Tom Helm: Did you find -

Hon M.J. CRIDDLE: I will go through the issues and perhaps when the member makes his summation he will comment on some of the remarks I made. That may well be the best way to deal with it. As the member understands, this is not my principal portfolio. We could take up some of those remarks at a later time.

This contract business is worth $130m to regional Western Australia and the figure is likely to reach $155m in the current financial year. That indicates the large amount of money involved and also reflects the number of contracts awarded. The emergence of small and medium enterprises as major players in government contracting is no accident. It has been brought about as a result of a deliberate government strategy and policy. Recently the minister has been travelling throughout regional Western Australia to get a feel for these issues across the State, and I applaud him for that. Like his predecessor, Hon Mike Board, the minister chairs the Small Business Procurement Advisory Council. This council is a leading forum for small and medium business to interface with Government on contracting issues and to represent the interests of a comprehensive range of industry sectors. The council has had major input into the development of a framework called "Making Contracting a Winner for Small and Medium Enterprise". This Western Australian framework has since been endorsed by the Australian Procurement and Construction Council for adoption by Government purchasing jurisdictions around the nation. That shows what a feather in the cap it is for -

Hon Tom Helm: It shows something all right.

Hon M.J. CRIDDLE: It certainly does. Obviously other people have recognised the efforts that have been made. The council has achieved many more runs on the board for small business, contributing to the development of publications on tendering to government and initiating forums and workshops on the goods and services tax, electronic commerce and other timely and important topics. Every member would agree that they are important issues. These concerted efforts to give small business an equitable share of contracting are paying off. In 1998-99, the majority of CAMS awarded contracts were structured in relatively small parcels. For instance, 1 003 building contracts were awarded, of which 75 per cent were for less than $100 000, and 65 per cent of those were for less than $50 000. Some 236 goods and services contracts were awarded, of which 42 per cent were for less than $100 000 and of the 42 per cent, 69 per cent had a value of less than $50 000. The sweeping generalisation that the Government is amalgamating small and medium-sized contracts into big contracts does not stand up when the detail is held up to scrutiny.

In adopting a balance between small, medium and large business, I could cite many more examples of what the Government is doing for small business, but I do not wish to create the misconception that big business is being squeezed out. Essentially the Government adopts a balance of contracting which creates opportunities for all enterprises of all sizes, small, medium and large. I know much of the contracting the Government does, especially in Main Roads and the Department of Transport, represents the range of contract sizes that are let.

Common-use contracts provide a framework for all three to win a piece of the pie. In 1998-99, the efficiencies and aggregate buying power of common-use contracts have saved the Government around $90m. By far the most common form of common-use contract is the type which comprises numerous suppliers. Indeed, after excluding contract arrangements for suppliers of motor vehicles, telecommunications and finance, approximately 88 per cent of the expenditure through common-use arrangements is now going to small and medium-sized local business. There are a few single supplier arrangements, but these exist only where the benefits of a single supplier can significantly outweigh the effect of reduced competition. Even when large firms enter into government contracting arrangements there are often windows of opportunity for small business to reap the benefits. For example, there is a building facilities management framework in which five firms provide a range of property services to large government agencies such as Education, Police and Justice.

The five facilities managers - there are a number of them - such as Transfield and Serco, are large businesses, but they in turn subcontract a great deal of their work to smaller businesses. Around 1 000 businesses are subcontracting to the

facilities managers and the value of this business is around $50m a year. This is not happening by accident. CAMS facilities management contracts have written into their conditions the need to source the large majority of works and services from local small and medium-sized enterprises.

Another avenue for small business to win big contracts is by forming consortia. The consortium bid is emerging as an important trend in government contracting. CAMS has been assisting small business in this regard by running workshops and distributing literature on how to develop effective consortia bids. One very successful consortium arrangement is the police apparel contract which was awarded last year. Four local companies formed a consortium and submitted the winning bid to provide a complete management and logistics service including warehousing, distribution and the disposal of the wares. None of the four companies could provide the full range of services on its own, as often happens in these large contracts. By forming a consortium they were able to be competitive against the bigger interstate and international companies.

Another example is the tender currently under evaluation to provide software for the government electronic market. CAMS has set up a system which has enabled companies which could not provide the full solution to register their names with a view to attracting potential partners. This list was provided to all companies which registered for the tender documents. This was a deliberate strategy aimed at encouraging small businesses to form partnerships and to make new services available to large firms. The approach was keenly welcomed by suppliers and over 40 firms registered their interest in those consortium bids.

As to the panel contract fees, a long time ago Hon Ljiljanna Ravlich raised the issue of fees which are now applied to businesses that have been awarded some of the panel contracts. I am sure Hon Tom Helm would remember that. Hon Tom Helm also alluded to the fees payable by the architectural consultants to be accepted onto the panel contracts. First, the member was incorrect, as no fee is required to be selected on this panel. Before I comment further on the medium project architectural period panel, I will address the issue of the fees and common-use contracts in general. Today's government contracting environment has returned billions of dollars of business to the private sector. Being appointed to a common-use contract gives the business considerable kudos. It signals that it has arrived as a preferred supplier. Contractors have their details promoted 24 hours a day, seven days a week on the Government Contracting Information Bulletin Board - I am sure that is a great advantage to those companies - they are in the hard copy *Buyers Guides* and more recently on the government electronic market. These various promotional avenues give suppliers a big marketing advantage and enable them to cost-effectively reach around 10 000 government buyers from 150 of the State's agencies as well as local government, universities and also the public benevolent institutions.

However, there is a cost to government associated with developing, maintaining and updating systems for marketing these contracts, and the suppliers who are members of the contracts. Western Australia, together with several other States, is progressively introducing a cost-recovery model to offset some of the costs of developing, managing and marketing these contracts. A member of a common-use contract enjoys many benefits, which include direct access to the statewide network of government and preferred buyers; ready access to valuable market intelligence; and the privilege of tapping into a growing number of supplier services and supplier development resources offered by the Department of Contract and Management Services.

Debate adjourned, pursuant to standing orders.

DAIRY INDUSTRY AND HERD IMPROVEMENT LEGISLATION REPEAL BILL 2000

Second Reading

Resumed from 9 May.

HON KIM CHANCE (Agricultural) [4.01 pm]: You may have noticed, Mr President, that Opposition members voted for the motion by the Leader of the House to so alter the Notice Paper that this Bill might be brought on for discussion at this time. I assure members that the Opposition's support for that change was a matter of courtesy to the Leader of the House and not a matter of choice for the Opposition. I express my deep disappointment that this Bill will be debated now. I had not expected that to be the case, although obviously it has been sitting at a high point on the Notice Paper for some time. I am not complaining about a lack of notice but I expected the Government, in view of events which have changed the situation in the very recent past, as recently as two and three-quarter hours ago, to want to analyse the effect of those changes on this Bill. Also, I hoped the Government would allow the Opposition a little time to get its position in order.

Members will be aware that when this Bill was dealt with in another place, the Australian Labor Party did not oppose the Bill. It can be seen from the comments made by speakers from the Australian Labor Party, in particular the member for Eyre, that the ALP absolutely opposed deregulation. Members felt at that time, however, that they had no choice other than to adopt the position of not opposing the Bill. Unfortunately, the ALP remains bound by that decision for the time being.

The event to which I referred, which occurred only two and three-quarter hours ago, is that at 1.15 pm today I was advised of the provisional results of a ballot of dairy farmers held across the three quota States, including Western Australia. The ballot was conducted by the Australian Electoral Commission at the request of the Australian Milk Producers Association. I can report to the House the provisional figures, on the understanding that they are provisional only and that I have yet to receive the final figures from the Australian Electoral Commission. I understand that in the ballot of Western Australian producers, 80 per cent returned ballot papers and 65 per cent of those voted against deregulation.

Hon M.J. Criddle: What was the question? It must be put in context.

Hon KIM CHANCE: It is appropriate to do that. The question is set out in the report of the Standing Committee on Constitutional Affairs in clause 4.7 on page 12, and is -

With the information now at hand are you in favour of Dairy Deregulation?

Of the Western Australian dairy farmers who responded to the ballot, 65 per cent voted no.

Hon Barry House: What was your mailing list?

Hon KIM CHANCE: I am not in a position to know what the mailing list was; it was accepted as a certified list by the Australian Electoral Commission. I do not know the source. If Hon Barry House or any other member wants to know the source of the list used by the Australian Electoral Commission, I imagine he would need to approach the Australian Milk Producers Association with that request. I do not know whether he has done that. I am aware that AMPA in this State requested the Dairy Industry Authority of Western Australia to provide a certified list to the Australian Electoral Commission, so the Government, through its state agency, the Dairy Industry Authority, had ample time to respond to that request. Whether it chose to do that is none of my business. I am aware that a list was provided - I am not sure by whom - and that the Australian Electoral Commission accepted it as a certified list, and the ballot has been held.

Should people think it was the intention of Hon Barry House, in asking that question by interjection, to somehow discredit the nature of the ballot carried out by the AEC - I am sure it was not his intention - we need to look very carefully at the results of the ballot if a comparison is to be made with the results of the earlier ballot carried out by the AEC on behalf of the Western Australian Farmers Federation. Certainly there are holes in the credibility of that poll. A total of 541 ballot papers were issued in the poll by the Western Australian Farmers Federation. There are 412 dairy farms in Western Australia and only 500 quotas are issued, yet 541 ballot papers were sent out in the WAFF poll. If people want to have a shot at the credibility of the poll conducted on behalf of AMPA, they need to be extremely careful when comparing the outcome of that poll with the outcome of the poll conducted by WAFF.

Hon Barry House: Can you explain how some people who have not been involved in the dairy industry for more than five years received a ballot paper, and other younger people who have been involved professionally for some time did not get a ballot paper? Somebody who has been dead for years was sent a ballot paper in the AMPA poll.

Hon KIM CHANCE: I am not in a position to respond to that question. Whenever a list of producers is constructed, it is generally constructed by the one agency capable of providing that list; that is, the Dairy Industry Authority. I do not know the source of the list used by AMPA.

Hon Barry House: Did it come from your office?

Hon KIM CHANCE: No, it did not. I imagine it is highly unlikely that any list used by AMPA had a source other than the Dairy Industry Authority. Hon Barry House asked if the list came from my office. That is a relevant question because I understand the background of it. I am not offended by the question. I conducted a poll on behalf of the Opposition in late January or early February, certainly this summer. The list I used was a Dairy Industry Authority mailing list. I have no knowledge whatever that the list that was used by the Australian Milk Producers Association in its ballot was the same list; indeed, I was told by one person, who may have known, that it was not the same list but a later list. I am speculating here, but it probably had the same source and was probably a DIA list.

I used a DIA mailing list, as is very clear from the nature of the list. I am quite happy to show people the list because it is not a secret. I am sure that the list is a mailing list because the addresses were mailing addresses, for example, RMB 273 Boyanup, and there were post office box numbers in various towns. I do not know the list's source, but I had two complaints about the validity of the list. Although I could name the persons, I will not; their names are still in my office. Those two complaints were from people who felt they should have received ballot papers but did not. Once I received those complaints, I verified those people's status and sent them ballot papers. I do not think there was a great deal of inaccuracy in the list. However, as I have said, my understanding is that AMPA used a later list. The only reason that I have gone into all of that is that I am certain the DIA list was used, but I cannot account for which list was used because it was a matter for AMPA, and I have not taken the time to inquire.

Hon Barry House also asked questions about deceased estates. My knowledge from 30-years experience in the farming business is that deceased estates operate as working farms. My neighbouring farm, and Hon Jim Scott's neighbouring farm, worked as a deceased estate for more than 75 years. It was still a working farm. A deceased estate can be a functioning business. I imagine ballot papers could go to a deceased estate, as various things go to an estate that I administer to this day from the Town of Vincent, where the estate that I administer is a ratepayer. Business passes between the deceased estate and the local government authority, and the Water Corporation, for example. It is a trading establishment which is still there, just as farms can still be there. If the member is saying that those trading deceased estates did not receive ballot papers in the Western Australian Farmers Federation's poll, one might ask why not.

There will obviously be attempts to compare the validity of the WAFF poll and the AMPA poll. The WAFF poll raised very clear issues of credibility. The fact is that 541 ballot papers were mailed in that poll. The day after the WAFF poll was released I called the DIA to check the industry statistics. I was told there were - I am speaking from memory - 421 dairy farmers in Western Australia, 500 quotas on issue and 541 licensed dairy farmers, thus 541 ballot papers were issued. From the list I used when I conducted a poll on behalf of the Opposition, I issued 443 ballot papers and subsequently, on request, issued a further two, making a total of 445. I do not know what the AMPA figures were.

I will move on from the Western Australian results in the provisional results I have to hand. The polls in New South Wales and Queensland were hampered somewhat, I understand, because of a problem with the turnaround in the mail system. In Queensland the return of votes was only 43 per cent. However, of the 43 per cent of returns that were received in time, some 85 per cent voted against deregulation. In New South Wales, the third and last quota State, only 34 per cent of returns were received on time, and of those 34 per cent, 83 per cent voted against deregulation. We do not make decisions for the States of Queensland and New South Wales. Sometimes I think those States would function better if we did. However, the situation in those States and for the ministers Amery and Palaszczuk is very clear. They currently have legislation in their Parliaments to progress deregulation.

Hon M.J. Criddle: Are they blaming the National Party for not progressing?

Hon KIM CHANCE: Probably. It is an interesting business, is it not? The choices available to them are clear. They should now, assuming they are going into a winter recess as we are, suspend the progress of their legislation.

Hon M.J. Criddle: That is your advice?

Hon KIM CHANCE: Yes. They should determine an accurate list of working dairy farmer quota holders in those two States and conduct a poll of their own, which can be done, as we know from the WAFF and AMPA experience, in a matter of a few days, and let people determine on the basis of a properly carried out and overseen poll exactly what the dairy farmers' opinion is. In neither Queensland nor New South Wales was a poll carried out before the AMPA poll. Nothing at all happened in Queensland, apart from a few regional meetings. There was a kind of vote in New South Wales where people had to attend a regional meeting in order to get a vote. At least in Western Australia we have now given people three opportunities, with one unofficial poll and two official polls. The unofficial poll was conducted by the Opposition in the summer, which was more of an opinion poll, and polls were conducted by the Electoral Commission on two occasions, one under the auspices of WAFF and one under the auspices of AMPA. They had two clearly different results.

I need to refer to the results of the WAFF poll for the record. I understand that members will be well aware of the results of that poll. The WAFF poll resulted in a return of 92 per cent of votes. Some 58 per cent of the voters voted for the question, which involved deregulation, and 42 per cent voted against the question, which indicates a vote against deregulation. That poll however is now three months old. That is why I was so keen that a second poll closer to the date of the Parliament's determination be taken.

Hon Derrick Tomlinson: Was it the same question?

Hon KIM CHANCE: No, it was a different question.

Hon Derrick Tomlinson: So you cannot compare them. If I said, "Would you like an ice-cream?" as opposed to, "Would you like a black eye?", the answer would be very different.

Hon KIM CHANCE: It would be a very different question in intent because one involves the gift and possibly the consumption of an ice-cream and the other involves physical violence. They are widely different propositions.

Hon Simon O'Brien: Have you ever seen Hon Derrick Tomlinson give an ice-cream?

Hon KIM CHANCE: I have never seen his ice-creams. The point is that in both instances the questions unequivocally ask whether the farmers wanted to have their industry deregulated. In the WAFF question the issue of the federal restructuring grant was a component; in the AMPA question it was not. It simply said, as I have stated, "With the information now at hand, are you in favour of dairy deregulation?" There would hardly be a dairy farmer in Western Australia today who does not know that the information now at hand includes the matter of not only the federal restructuring grant but also the components of the state assistance.

Hon Derrick Tomlinson interjected.

Hon KIM CHANCE: Why?

Hon Derrick Tomlinson: Because it says in the light of what you know now, would you do that?

Hon KIM CHANCE: Yes.

Hon Derrick Tomlinson: If you knew that I was putting strychnine in your tea, would you drink it?

Hon KIM CHANCE: No, probably not. However, if Hon Derrick Tomlinson did it, I would have to think carefully about it.

The reason for the AMPA question being posed in that way, I imagine, is that the WAFF question was relatively narrow. It asked for a consideration of one factor external to dairy deregulation only, that factor being the federal restructuring grant. The AMPA question is much wider than that, because we need to recognise, as I recognised in my budget speech last night, that there is also a state package. A wide range of issues need to be considered in this matter. There would be no dairy farmer who did not understand the factors of the federal restructuring grant and, indeed, the bare facts of the state assistance package. Essentially, the difference between the two packages is that in the three months which have passed between the two polls, one vital thing has happened; that is, the indicative post-deregulation milk prices have become known. That is the factor.

Hon Murray Montgomery: You have done some things during your career and your farming time. With hindsight, would have done them?

Hon KIM CHANCE: No.

Hon Murray Montgomery: That is right. Hindsight is 20:20 vision. You have got it every time.

Hon KIM CHANCE: Absolutely. I could not agree more.

Hon Bob Thomas: This process is not finished yet.

Hon Murray Montgomery: Therefore, the decision that was made three months ago was made with that question in mind, knowing what Victoria was doing.

Hon KIM CHANCE: Yes, but not in the knowledge of one vital fact. My colleague Hon Bob Thomas put it very clearly. The facts have not yet emerged. We are making the decision now, not three months ago. We are not asking for that perfect light of hindsight; we are asking for a vision of what will happen as near to the time that we have to make the decision as is conceivably possible. It is not hindsight; it is today. We could be here in two years, God willing, and with hindsight we could determine whether on this day, or at some time when we eventually make a decision on this Bill, which I hope will be a long way away, we did the right thing when we took a vote on this Bill. I may have to say that in hindsight I was wrong, or Hon Murray Montgomery may have to say that in hindsight he was wrong.

Hon M.J. Criddle: We will vote differently, will we?

Hon KIM CHANCE: We may vote differently. I do not have a clue.

Hon Barry House: Have you said whether you are supporting or opposing this Bill?

Hon KIM CHANCE: No, I have not yet.

Hon Barry House: Will you tell us?

Hon KIM CHANCE: I have been asked a perfectly reasonable question by Hon Barry House. I wish I could give him a perfectly reasonable answer. However, I will explain why I have difficulty doing that. Members will all be aware of the position that the Labor Party took in another place. The position it took in the other place was always going to be one which allowed the Bill to progress to the place in which the real debate would happen. I think everyone understood that the real debate would take place in this place, given the nature of the numbers here. However, the debate in the other place allowed the Australian Labor Party to raise the issues of concern to it. It allowed us to make it clear that we oppose deregulation unequivocally. What we had difficulty with was opposing the Bill. There is a difference between the two, and that is fundamentally the federal restructuring grant. In the knowledge of the producer vote that had just occurred, and presuming the Bill was voted down, had the Australian Labor Party at that time voted against the Bill, people could have reasonably said that the Labor Party was responsible for the federal restructuring grant not being paid. It is a political decision one must make. When faced with political decisions of that nature, everybody looks to the numbers. The numbers were 58:42. The numbers now are 65:35. It is not quite as simple as that.

Hon Derrick Tomlinson: They are not comparable.

Hon KIM CHANCE: Why?

Hon Derrick Tomlinson: You are talking about two different questions.

Hon KIM CHANCE: One could argue about which is the more relevant question. They are slightly different questions, but they are not fundamentally different. The AMPA question is certainly broader, because it allows for the consideration of the state package.

I will return to the question I was asked by Hon Barry House. It is not our choice that this Bill is being debated now. Government members opposite who have responsibility for these matters put their view to me; I put my view to them. I am not critical of them for the position they have adopted. I am simply disappointed that we have all been placed in this position.

Hon M.J. Criddle: It was always going to be difficult.

Hon KIM CHANCE: Yes, of course. I am not angry or upset about being required to debate this issue now. I am just disappointed because it was always my view that, with the business before the House, it would have been preferable to deal with the business that we all agreed should be dealt with before we started debate on the dairy Bill. I am grateful for being able to wait until the ballot results came out. I would have been really upset if we had not had the opportunity to do that. However, it would have been better to deal with those other Bills before we started debate on this Bill, simply because until such time as the Australian Labor Party has a chance to consider its decision, the debate on this Bill will be long, slow and bloody. I am sorry about that.

Hon Barry House: You are not saying whether you are supporting it or opposing it.

Hon KIM CHANCE: I have great difficulty at this stage, because we must go through party processes.

Hon Barry House: So you will talk for the next five sitting days, will you?

Hon KIM CHANCE: Perhaps I will speak to the leader tonight - I do not know. We may decide that we should go to Caucus on Tuesday. That is why I am disappointed. Basically, the answer to the member's question is yes, which all seems

a waste of everybody's time. To be fair, as I said, we learnt of the AMPA ballot result at 1.15 pm today. It is a fundamental change. The result of a ballot three months ago was 58:42. Today, the provisional results of a ballot - we do not even have the official results yet - are 65:35.

Hon M.J. Criddle: The balance would indicate that you waited for that decision with some reasoning in mind.

Hon KIM CHANCE: Yes. Our position has always been to oppose deregulation. In the other place, we opposed deregulation but did not oppose the Bill because of the obvious political difficulties. I am being frank with the House - perhaps more frank than I should be.

Hon M.J. Criddle: You should be frank on this Bill - you should be frank all the time.

Hon KIM CHANCE: Yes. I think government members should understand where we are coming from. Hon Barry House asked a question, so I have told the House. Members probably did not want to know that, but Hon Barry House did, and that is important.

Hon Barry House: Yes, I did.

Hon KIM CHANCE: It would have been better had we at least waited until next week to debate this Bill. I guess we will have the opportunity to talk about it next week. It seems to be a waste of time. I would have much preferred that this debate was suspended over the winter period, and that we came back early in the spring session - I think we come back on 8 or 15 August, but I am not sure - and debated and dealt with the Bill at that stage.

Report No 53 of the Standing Committee on Constitutional Affairs on this Bill makes it clear in paragraph 10.11 that there is no need in a legal sense for this legislation to pass through the Western Australian Parliament before 30 June or 1 July. There never was a need in any legal sense for that to occur, and I am extremely disappointed that people with some authority in this matter attempted to convince the Parliament that there was a need for that to occur. I met with Danny Harris, the president of the dairy section of the Western Australian Farmers Federation, as recently as this morning, and we discussed this point, and I undertook to him to make the point clear that while there is no legal need for this Bill to pass by 30 June, the failure of the Parliament to progress this legislation by that time will create significant problems for farmers. It is fair that I note that, and the committee's report notes that also.

Hon M.J. Criddle: That is probably one of the essential things.

Hon KIM CHANCE: Yes. I am ready to concede that it does create problems.

Hon Barry House: It is the most important thing in the whole debate.

Hon KIM CHANCE: Farmers are facing trauma in any case. Let us not kid ourselves here; whether we vote for or against this legislation, farmers will be involved in considerable trauma. They need to be able to budget early and accurately, and I will be the first to concede that their ability to budget early and accurately will be impeded if they do not have the benefit of knowing what the legislation will be. It will always be difficult to budget, because the negotiations between the farmers and the processors on future contract prices will not be sufficient to enable any kind of certainty over a period that is long enough to make a meaningful budget stand up, but the important element which is involved in the passage of this Bill is that it will give farmers some certainty about the availability, or not, of the commonwealth restructuring grant, which should be referred to correctly as the dairy structural assistance payment, or DSAP. If the deregulation Bill goes through, farmers will have some certainty, come October or thereabouts, about that payment.

However, notwithstanding that that issue is important, it is really the only issue of any weight that concerns the passage of this Bill by the end of this month. There is no other issue of which I am aware. It was argued at some stage in the debate that a delay beyond 30 June might lead to a delay in the eventual payment of the DSAP. That is largely a nonsense. It is generally understood that the payment will not be made before mid to late October 2000 in any case. If we were to hold up this legislation over the winter recess and deal with it in mid August, that would still leave adequate time for payment systems to be processed and payments to be made on time in October. I do not think that is really an issue, but I acknowledge that the ability of farmers to budget is an important issue. However if we allowed our decision-making process to be dominated by the ability of farmers to budget for one particular year, as important as that might be, and as a result of that domination we made a mistake which could cost dairy farmers their whole industry, would we have served the industry well? I do not think so. I believe that the formula which is before us and which is partly established in this Bill and partly in the four commonwealth Acts is a proposition with results so bad that it is hard to imagine how any alternative may be worse. The outcomes of this Bill are a disaster. There are some interesting politics in this, because most of the dairy States on the east coast have Labor Governments. In fact, the farmers' hero in Queensland is Bob Katter. I have never agreed with anything Bob Katter has said in his life, but there is a theory that even a stopped clock is spot-on twice a day; and Bob Katter has got it spot-on this time.

Hon M.J. Criddle: Be careful!

Hon Ray Halligan: It will get back to him!

Hon KIM CHANCE: I actually got close to speaking to Bob Katter on the phone once, but he chickened out before I did. There are some interesting politics in this, and I wish we could take the politics out of it. I do not think members opposite could complain too much about the way I have conducted myself in this matter or about the way the Australian Labor Party has conducted itself. We cannot help but be a little political from time to time on an issue like this, but we have tried very

hard to deal with the issue as it has presented itself. Certainly our relationship with the Farmers Federation has not been weakened, in my view, by what has happened with this matter. Danny Harris made the point to me today that the people involved at the opposite ends of this debate and who we would think might be finding the relationship somewhat strained are people who have gone to school together and have been friends for many years. It is an awkward situation for all of them. I have great sympathy for those people who have taken a lead on one side or the other of this debate, and it is great testament to their maturity and to the strength of their community that they have been able to get through this debate as effectively as they have.

At this stage, I should acknowledge some of those people. I have already mentioned Danny Harris, and I should mention again that although my point of view in much of this debate has been on the opposite side of Danny's, I have always been able to speak to Danny in a calm and reasoned way. Danny took on an immense task, for which I have great sympathy, and it amazes me that Danny has not aged more than he has in this process. When I was farming in Doodlakine, I had a neighbour in another industry who was the president of the Farmers Federation wool section when it went through the traumatic years of the wind-up of the reserve price scheme.

Hon M.J. Criddle: It is still going through traumatic years.

Hon KIM CHANCE: Indeed. I know how hard those times were for my neighbour, and I can imagine how hard it has been for Danny over recent years, and in particular over recent months. Danny Harris has been superbly supported by his vice presidents, in particular Mr Eric Biddulph, who has been there whenever Danny has needed him to be there. On the other side of the debate, we have people like Tony Pratico, who I believe is in the gallery today, and Tony Ferraro, both of whom have been staunch advocates on behalf of dairy farmers in Western Australia. Mr Arthur Green and Mr Kingsley Palmer have also played key roles. These last four people, all members of the Australian Milk Producers Association, have laid a great deal of their physical and emotional resources on the line in an effort to try to pull the dairy industry nationally, because AMPA is a national organisation, out of the downward spiral into which they see their industry heading and which may lead to the end for thousands of the 13 000 dairy farmers Australia-wide in terms of their families and future. It is a heavy responsibility, and I admire the dedication they have applied to it. I similarly admire the dedication that Danny Harris and Eric Biddulph have applied, although they have been on opposite sides of the debate. They have been pushing what they see as the most appropriate solution for their industry. I admire the way they have been able to do that without the bitterness and violence we have sometimes seen in industry debates of this kind. They certainly deserve our applause.

Hon Barry House: Hear, hear!

Hon KIM CHANCE: When we come into this place initially we generally have a clear view of what we want to do with the great privilege we have been accorded - the privilege of being legislators and representing the people. While we are here, our positions might change - it would be disappointing if they did not. We are here, exposed to pressures that engender learning and to promote our long-held principles. I refer to our personal principles because we are expected to remain true to them. They are very much personal principles, not simply the principles of the party we have chosen as the broad representative of our collective views.

Our personal principles are not always easy to articulate. I have never found it easy. Hon Cheryl Davenport not only made her personal ambitions clear in her maiden speech but also she is one of the few members who has been able to see those ambitions through to fruition. When she retires, she can do so with the satisfaction of knowing that she did what she came here to do.

If I came into this place with a set of aspirations they would certainly have included a desire to bring more security to the people of rural and regional Western Australia - the place that has been my home all my life. When I first came into this place I was angry, and I remain angry, about the way ordinary people's lives and aspirations are affected by the rich, the powerful and the corrupt. My desire was to resist the erosion of decency that I could see in both commerce and public administration, and that led me to join the Australian Labor Party nearly 30 years ago. I do not think for a moment that non-Labor Party members of this place did not have the same or similar ambitions when they joined their respective political parties. It is not what we do but the reason we do things that defines our intent.

Hon M.J. Criddle: The opposite sides are not getting into this because they are genuine.

Hon KIM CHANCE: That is true. However, the rich, the powerful and the corrupt are central to the issue we are debating. Dairy deregulation is a result of the desires of the rich and powerful and the corrupt use of that wealth and power. Dairy deregulation is about greed.

Hon Derrick Tomlinson: Who are the rich and powerful?

Hon KIM CHANCE: The Murray Goulburn Co-operative, Bonlac Foods and the people who control the United Dairy Farmers of Victoria. Does the member want me to go on? I could name others. To where has the corruption extended? It has extended into the Australian Dairy Farmers Federation Ltd and the Australian Dairy Industry Council.

Hon Barry House: That is a big statement.

Hon KIM CHANCE: The member should look at the outcomes.

Hon Barry House: You are extending that from big corporations to individuals.

Hon KIM CHANCE: Yes, I am.

Hon Barry House: Are you saying that council representatives from Western Australia are corrupt?

Hon KIM CHANCE: No. I am saying that it began in Victoria, principally with the Murray Goulburn Co-operative, but once it made a decision, Bonlac Foods was bound to go along. That influence flowed to the farmers' organisation in Victoria and, by necessity, to the national organisation. I will go into that in greater detail later, but corruption exists in this process, as it exists in most processes.

Hon Murray Montgomery: Would you say that of Western Australia?

Hon KIM CHANCE: No. Western Australia is a victim of what has happened in Victoria. Members should remember that Western Australia accounts for just 4 per cent of the industry and Victoria accounts for 65 per cent. If the events in Victoria have affected Western Australia, they have affected it in a consequential manner and not in a core manner. Certainly, some Western Australians have great influence on those national bodies, but that does not mean they are involved in corruption. The corruption began outside that process, but it certainly affected the ADFF and the decision-making process.

Hon Barry House: Some people might call it reality.

Hon KIM CHANCE: We will get onto that; we have days to debate this. We will discuss the question of reality as we go on.

To suggest that this process of dairy deregulation has happened naturally and in accordance with the normal laws of commerce and that it does not involve greed and corruption is wrong. Greed and corruption are at the core of this issue.

Hon Derrick Tomlinson: Are you suggesting that this corruption is deliberate and malicious?

Hon KIM CHANCE: It is about greed.

Hon Derrick Tomlinson: Are you suggesting that it is deliberate and malicious?

Hon KIM CHANCE: Malicious behaviour is like beauty - it is in the eye of the beholder. If it served the interests of the Murray Goulburn Co-operative, it would not describe it as malicious - it would describe it as beneficial to its corporate structure.

Hon Derrick Tomlinson: The word "contrived" is important.

Hon KIM CHANCE: It is contrived. The Murray Goulburn Co-operative was in a fix. It is a huge company. It does not process milk - it is a processor of more durable dairy goods - but it has a 65 per cent exposure to the export market. The export market will be dead in the water for the next decade and a half.

Hon M.J. Criddle: That is a big statement. Primary industry fluctuates all the time.

Hon KIM CHANCE: Of course it does. The export market is corrupted - no-one doubts that - and it has been for many years. It went into a deep slump when the Russian federation was unable to take European butterfat off the market. That is a huge hole. The world trade in dairy products will always be influenced by a trade of that nature: The need of the former Union of Soviet Socialist Republics, later the Russian federation, and its ability to take European butterfat off the market. Because of its foreign exchange problems, the Russian federation has been unable to do that in sufficient quantities and this has created a stockpile of durable dairy products overhanging the world market. The cost of processing a tonne of milk powder in Australia is higher than the price that it achieves on the world market. The price of a tonne of skim milk powder on the world market is around $US1 200. The European Union is paying a subsidy equivalent to $US2 000 for a tonne of skim milk powder. Do we expect to go out into that market and make money? It is a nonsense. We will certainly find niche markets and there will be some growth. The bright feature about the export market is that it survived without a serious slump during the South East Asian economic crisis. It did surprisingly well and better than people imagined. The fact is that generally the export market is flat. To determine whether the export market is flat, one should seek a price for export parity of milk. If members were to ask the various milk processors in Australia, "What is your price per litre, farm gate, export parity?" they would receive a range of answers depending on the time of year. In fact, if members asked that question in Victoria now they would get a high figure. Members would be surprised at how high that figure is because Victoria is starting to run into dry-off periods. However, generally throughout the year the price is about 15¢ a litre. Parmalat Spa spot price spring milk in Victoria is 5¢ to 6¢ a litre. That is export parity and that is what being part of the world market means.

Members should also ask whether the export parity price is higher than the domestic market price. Always it will be as always it has been. One does not have to be a supreme economic strategist to work out that the more one increases the export component the less number of dollars one will make relative to the average price. That was Murray Goulburn's problem. It had a huge exposure to the export market and could see no future for itself. It made up all kinds of stories about how unfair it was that it had to compete with New Zealanders. It had a case there, I must admit, as the New Zealanders were not paying the domestic market support scheme levy and Murray Goulburn was. That was unfair competition but, apart from that, its problem was its exposure to the export market. The only way it could solve the problem was to dilute its exposure to the export market by increasing its exposure to the domestic market. There was no domestic market left in Melbourne. The nearest domestic market available to it was Sydney. How could it access the Sydney market? It could do so by breaking down the agreements already in place between New South Wales and Victoria, and that required deregulation; it was as simple as that. Its desire to break into other States' domestic markets, particularly in Sydney and

south east Queensland, led to the desire to deregulate. All it had to do to achieve that was to ensure that the United Dairy Farmers of Victoria, the representatives of dairy farmers in Victoria, wanted to go along with it.

That, in a nutshell, is what I believe happened and why it happened; it was because of the greed of Murray Goulburn and the stupidity of the Victorian industry that continued to produce milk subsidised by Western Australia, New South Wales and Queensland producers via the domestic market support scheme. It was the failure of the Victorian producers to use that subsidy as it was intended, to rationalise the industry, and to continue producing for an export market that just did not exist and was not going to exist in the future. They should have known that but, instead, they used the subsidy to increase their production, not to restructure their industry.

In the Victorian industry now - perhaps this is a long answer to an interjection - 60 per cent of its participants receive some kind of welfare payment, as stated in evidence presented to the Senate standing committee inquiry into this matter. Is that the future we want to deliver to the Western Australian dairy industry? Logically, the nature of the global and national economies is that when there is a player in the market which is not excluded by a form of regulatory arrangement and which has that kind of depressing effect on the market, the lowest common denominator will apply. If one examines the price levels that have been indicated for the Western Australian industry, one starts to get down to the import parity price levels. In other words, the only aspect that separates this State's producers from the same position that the Victorian producers have got themselves into now, where 60 per cent are welfare reliant, is the cost of freight. The cost of freight is all they would have left as a margin; that is, assuming we could maintain import parity prices. There is no guarantee that we can do that as no structure has been established for the dairy industry in Western Australia post-deregulation to guarantee the maintenance of import parity.

The next step is export parity. The price range of perhaps 28¢ to 29¢ import parity is falling now to an export parity price of perhaps 18¢ or lower, and nothing can stop that free fall of prices.

Hon Derrick Tomlinson: Could you explain to me how the regulation of production will avoid that?

Hon KIM CHANCE: I will explain briefly how the system works.

Hon Barry House: We want to know how it will work in the future, not how it has been working.

Hon KIM CHANCE: I am happy to talk about that, but Hon Derrick Tomlinson deserves an answer to his question. Very simply, there are two milk markets in Western Australia: One supplies the local domestic market, for which local consumers are prepared to pay a premium for fresh milk.

Hon Derrick Tomlinson: Subsidised.

Hon KIM CHANCE: No, it is not subsidised. There is a cross-subsidy in the other milk market that I will refer to in a moment, but not in market milk. The premium established for that market is for a set quantity of milk in this State between 40 per cent and 45 per cent of total production. That premium is sufficient to price that milk at almost double the price of the other market.

Hon Derrick Tomlinson: Deliberate and contrived.

Hon KIM CHANCE: Yes, deliberate and contrived indeed, but for a public benefit.

Hon Derrick Tomlinson: Elsewhere it is called welfare.

Hon KIM CHANCE: However, we must remember that the deliberation and contrivance which establishes the market milk structure in Australia has already been to the judge; it has already been through the national competition policy process. One of the interesting things about that process is that it will allow for anti-competitive behaviour provided the cost of that anti-competitive behaviour can be identified to be less than the public benefit which those regulations bring. The determination of the process is, to use Hon Derrick Tomlinson's words, deliberate and contrived, but deliberate and contrived in order to produce a public benefit.

Hon Barry House: And enshrined in legislation.

Hon KIM CHANCE: Indeed; as it always should be. That raises another point on which I will not be waylaid.

The other market is the manufacturing milk market for the production of more durable goods such as butter and cheese, and moving on through the chain. Much of that market might be thought to be an export market, yet a great deal of it is domestic; in fact, about 20 per cent of our total production in Western Australia ends up on the export market in the more durable product. I am aware of no fresh milk exported from Western Australia, although some fresh milk is exported from Victoria.

[Questions without notice taken.]

Hon KIM CHANCE: Before I responded to an interjection, I was making the point that the reason we do things, rather than what we do, defines our intent. On this matter the outcome of that observation is that this is an issue in which we will each have to be completely honest with ourselves in the way we visualise the arguments put before us. I concede from the start that they are complicated arguments. There is very little black and white anywhere in this issue. Although one can identify losers and victims of injustice arising from this, it is similarly possible to visualise losers and victims of injustice if we do something else. I am the first to agree that every time I stand in this place and argue a case, particularly on behalf of whole

milk quota holders and the injustice that will befall them and the financial trauma that will affect quota holders as a result of passing this Bill, another member may stand and point to the injustice and trauma that will be caused by the failure to pass this Bill. In particular, I am referring to people who would be denied access to the federal restructuring grant as a result of that action. I concede those points even before they are made. If they are made, they will be made justly and properly by members opposite.

I understand what the problem is. That is why it has involved a great deal of thought and, on my part, a great deal of lost sleep trying to come to some kind of decision on this and trying to take the views of both parties. In part, that perhaps indicates a reason for my lack of decisiveness at this precise moment on where we will go, although obviously there are other external reasons which I have already explained and which, hopefully, will be resolved tonight.

Hon Barry House: Most of the industry has been in that position for a long time.

Hon KIM CHANCE: I acknowledge that. One of the observations I made tonight speaking to the Queensland media - Danny Harris and I discussed it this morning - was that it seems strange that throughout the whole conduct of this debate, which has now been running for about five years, we have been concentrating on the fact of deregulation and, sadly, not looking beyond that.

That gets us to the critical point of this debate. It is not so much a failure of what we might be about to do if we were to pass this Bill; it is that we have not put in place anything beyond the act of removing regulation. There is no plan for the deregulated market. At the very least we need the winter break to try to determine the shape of that plan. I know it is too short a time to implement the corporate structure that could be needed to guarantee that some of the worst outcomes do not occur. I will refer to those outcomes shortly. Hon Barry House will know to what I am referring when I refer to producers in Elgin and south, who are locked out of an ability to access the market milk area.

If the House were to decide to deregulate and have nothing in place that would protect the interests of those producers, we would be acting irresponsibly. We may be also acting irresponsibly by not deciding to deregulate. That is what makes it very difficult for the House to reach a determination. On balance, if we decide to deregulate before we have seen the structure of a plan that could provide some certainty that the maximum number of producers can at least access prices at somewhere near import parity rather than export parity, we will have acted both capriciously and irresponsibly. I am getting sidetracked a little.

Hon M.J. Criddle: I thought you were going back to the Bill there for a moment!

Hon KIM CHANCE: It is about the Bill. Due to our mutual interest in the deregulation of the wheat industry, the minister will understand well a point I was going to make. That industry has also been the subject of debate involving its deregulation for at least four years - for about the same period as the dairy industry. However, the debate on the wheat industry has not been about deregulation; it has been about the shape of the corporate structures that will follow it.

Hon M.J. Criddle interjected.

Hon KIM CHANCE: That is true, but we will not have come to that point until 2004.

Hon M.J. Criddle: It is vital.

Hon KIM CHANCE: We reached that point in this place on debate on the Grain Pool. The whole debate on the deregulation of the wheat industry has been about the structures that will follow deregulation; about how AWB Ltd, the private replacement for the Australian Wheat Board, will be structured in its A-class and B-class shareholdings. All of that debate has been constructive. When the industry had to make its decision it knew where it was going. The debate about the wheat industry has not been about deregulation, but about what will replace it. That is a constructive way to go about it.

In the dairy industry it has been the complete reverse. We have not been debating the structures that will follow deregulation. For many dairy farmers - this is partly the reason for the sudden shift in dairy farmer opinion - the concentration on the argument, even among those who have been quite closely involved in the debate, although not necessarily at a high level, has been about whether deregulation should occur, not about what will follow if it does occur.

Hon Barry House: That is not entirely true. There has been much debate about cooperatives.

Hon KIM CHANCE: Yes, but it has not achieved anything. When the wheat growers made their shift, they walked into a room that was already furnished. If the dairy farmers must make their shift on 1 July, they will walk into a room bare of furniture. Nobody will know where to sit down.

The Challenge Group Cooperative was an element of that preparation. However, the situation with the Challenge Group Cooperative, which I supported because I knew something had to happen in that area because we needed a sink for the surplus milk, was described more eloquently by someone than I could describe it: It was like trying to catch a ball with one's hands tied behind one's back. The Challenge Group Cooperative was expected to make ends meet in that part of the market. However, none of the existing processors wanted to be in that market. National Foods Ltd (WA) in particular wanted to be out of that market. It suited National Foods to have the Challenge Group Cooperative take over that marginal part of the market so that National Foods could continue to supply the part of the market from which it makes a quid. It would not have worked with National Foods moving only in there. It needed the Peters and Brownes Group to move into that proposition. Peters and Brownes did not indicate to anyone that it had any intention of moving in there.

Similarly there was a problem with George Weston Foods. If everything had worked out as well as it was hoped, George Weston Foods would have allowed the cooperative to use the Watsonia label for a period under some form of commercial arrangement. However, George Weston Foods was never going to surrender the Watsonia label. That arrangement was only ever going to last for a period. Had everything gone to plan and the Challenge Group Cooperative been able to use the label for, say, five years, what would occur at the end of the five years? This is what first caused me to become concerned about the prospect of prices falling to export parity. At the end of five years George Weston Foods, which everybody knows is a big multinational, I think British-owned company, would have had to choose where it would source the product to carry its label because its arrangements with Challenge Group would have ended then. If George Weston Foods were able to source product from New Zealand, the Netherlands, Britain or anywhere else in the world that was prepared to sell product - members should bear in mind we are dealing with a durable product - it would be in the commercial interest of its shareholders to decide to source that product from New Zealand, Britain or the Netherlands. In order for the Challenge Group to continue to supply to George Weston Foods and continue to use that label, it would have to meet the competition from Britain, New Zealand or the Netherlands. That would mean one thing: They would be supplying at export parity. Export parity, as we now know, is not what we particularly want.

Export competitiveness and export parity are two very different things. Export competitiveness is achieved by structuring a business a certain way and by establishing markets before contracting for the supply of milk, such as Peters and Brownes is doing now in expanding its market penetration of cheese into Japan, for example. The Peters and Brownes Group must ensure it can increase the amount of its quota for entry into Japan through the Australian Dairy Corporation, then it can contract with milk suppliers to fill that market. It is done in an orderly, logical and commercial way. If it were done the other way round, as would happen if George Weston Foods had to make a choice about where it would go for supply, it simply crashes the process down to export parity. There is no management in that. I am concerned about the corporate structures and arrangements that were supposed to be in place, assuming the Challenge Group got off the ground, which it never did because it did not have any sellers. Ultimately, nobody wanted to sell the Boyanup and Capel dairies to it, and it had nowhere to go. In the absence of the Challenge Group, and it was not a goer anyway, what is left? Absolutely nothing. It is a completely unregulated dairy industry, and is the only dairy industry in the trading world that has no regulation whatsoever.

Let us consider some of our trading competitors and the dairy industry in the United States, for example. It is interesting that a dairy deregulation argument is running in the United States at the moment. The United States has one of the most highly developed regulatory structures in the world. It is the bastion of capitalism. Why is there this highly developed level of regulation? I am not sure. I think people like the dairy industry to be regulated because they want assurances on quality and supply for such a high-risk fresh food.

Hon M.J. Criddle: How are their farmers performing?

Hon KIM CHANCE: I do not know about the dairy industry, but generally American farm incomes are at least comparable with Australian farm incomes. Some industries are heavily subsidised, particularly the grain industry. I do not have a general picture of the dairy industry in the United States outside the State of Wisconsin. I have looked a little at the industry in Wisconsin, which is probably the most important dairy producing State. It is also the seat of the movement for deregulation, and a congressman from district 6, Oshkosh, is leading that debate. It does not seem to be getting anywhere. Deregulation in the United States does not seem to have a great deal of support outside Wisconsin. There is a general expectation that the dairy industry will be regulated, and that has been expressed particularly in the public debate which has occurred when consumers have considered the future of the dairy industry.

I had a telephone call this afternoon on another matter from a former leader of the State Parliamentary Labor Party, Ian Taylor. I informed Ian we would probably debate this Bill tonight, and he asked why anyone would even propose this nonsense.

Hon Barry House: That is good coming from the guy who was resources minister and wanted to pull the rug out from Pacific Dunlop in Manjimup.

Hon KIM CHANCE: He could never be called a regulator in the way that perhaps Julian Grill or I could be called regulators. Ian and I had spectacular battles from time to time, and his view - bearing in mind it is no better informed than the view of other consumers and he certainly does not claim it to be - as a representative of a consumer view, is that it is nonsense. He can see that farmers will make less money, and that is generally recognised. A body of evidence in the Senate committee report clearly establishes that. He can also see that consumers will not be winners either. All he can see - and this perhaps comes from his former employment as a Treasury officer - is a huge tax windfall for the Commonwealth Government. It will benefit from these arrangements by something like -

Hon Barry House: About $360m.

Hon KIM CHANCE: I was about to say $300m, and that is without taking into account the effect of the goods and services tax. The Commonwealth will be a significant beneficiary of this through income tax, and Ian Taylor is probably better informed than most on that matter. As a consumer, he cannot see the sense in the proposal. Certainly, Bob Katter of Queensland cannot see the sense of it.

Hon M.J. Criddle: How many dairy farms does he have in his electorate?

Hon KIM CHANCE: Bob Katter's electorate is at the Cape York Peninsula. The dairy industry in Queensland goes a fair

way north to the Atherton tablelands, but I do not think Bob Katter's electorate goes down quite that far. There is a tropical dairy industry.

Hon M.J. Criddle: The National Party president says it is about nine.

Hon KIM CHANCE: He has a lot more dairy farms in his electorate than I have in my electorate - about nine more! This issue is so complex and has so many shades of grey that we must be extremely careful to make our own decisions in the matter. It is not an easy, black and white situation; it is not a matter of arguing whether, for example, we should establish workplace agreements in Western Australia. There are no clear dividing lines in this matter.

Hon Derrick Tomlinson: Either the pattens are starting to hurt or you are getting splinters from shifting on the fence.

Hon KIM CHANCE: I accept the member's criticism, and I hope we shall be able to move to one side or the other of the fence some time in the near future. It is not easy.

Hon Derrick Tomlinson: Because you do not know where the numbers are.

Hon KIM CHANCE: Yes, I am quite frank about that.

Hon Derrick Tomlinson: Why not wait until you know what the numbers are, and then we can debate the principles instead of running round and round the mulberry bush?

Hon KIM CHANCE: Were it my choice, that is precisely what we would have done. It was not my choice. I gave my advice to those who make these choices and decisions, and probably for very good reasons another decision was made.

Hon Derrick Tomlinson: I was feeling sorry for your discomfort about sitting on the fence, moving from place to place and getting splinters with every move.

Hon KIM CHANCE: Anything that gives Hon Derrick Tomlinson such pleasure, always gives me pleasure.

Hon Derrick Tomlinson: I am suffering considerable discomfort.

Hon KIM CHANCE: This is not a decision on which members should toe the party line, even if we had the luxury of knowing what the party line is! It is not a matter on which members can ignore their consciences. We must make a decision about whether it is right or wrong, because if we do not listen to our consciences on this matter, we will have surrendered to the power of the rich, powerful and corrupt. Those people have brought us to this position.

Hon Derrick Tomlinson: Sometimes you also have to listen to the voice of the Victorians - close your eyes and think of England.

Hon KIM CHANCE: Lie back, close your eyes and think of England!

Hon Derrick Tomlinson: I was not going to be quite so vulgar.

The PRESIDENT: Order!

Hon KIM CHANCE: I remind members, who will be sensitive about this, that five and a half years ago this Parliament made a decision on another matter which I believe we have regretted ever since. We decided to take away from a group of hardworking families not only their life savings, but also their source of employment. We also took away their dignity and much of their faith in the parliamentary system and in people generally. We removed their livelihoods and their retirement plans, and five and a half years later we are still trying to fix up the mess. I am talking about the former milk distributors. The parallels between that issue and this issue are disturbing. It is like a huge deja vu flashback when I look at the parallels of fact which relate to what we did with the milk vendors and what is proposed in this Bill. I hope we can remember what we did then, so we do not make the same mistake again.

Sitting suspended from 6.00 to 7.30 pm

Hon KIM CHANCE: Shortly, I will seek leave of the House to continue my comments at the next day's sitting.

Hon Norm Kelly interjected.

Hon KIM CHANCE: I promise this will not take five minutes. I will give a couple of reasons why we should not proceed with this Bill at least until August of this year. I have already pointed to the lack of post-deregulation structure in the marketplace, particularly the problems that arise for the Capel dairy suppliers, those farmers south of Elgin. I believe a potential problem exists with the goods and services tax arrangements on the dairy structural adjustment payments, which I raised last night in the budget speech.

I am concerned about other taxation matters, in particular matters that arise from the apparent inability farmers will have to treat their losses on the quota value as a capital gains tax loss because of the apparent absence of a goods and services tax trigger due to there being no apparent GST event.

I am also aware of two plans that have been promoted by the Australian Milk Producers Association, one dealing with section 92 issues referred to in the committee's report and another later plan dealing with, for economy of words, a national pooling arrangement.

The final issue that concerns me, and with which we should take some time over the winter recess to deal, is how the injustice matters to which I pointed will be dealt with. There clearly will be winners and losers out of this arrangement. The delineation between the winners and the losers must be addressed. Similarly there are winners and losers on a regional basis. I am extremely concerned that the regional economy in the south west will be severely compromised.

I do not believe that any of these issues have been adequately addressed thus far. It is my belief that if we were to take a few weeks over the winter break, we could at least find some answers to the questions that arise. I seek leave to continue my comments on this Bill at the next day's sitting.

[Leave granted.]

Debate adjourned, on motion by Hon Muriel Patterson.

NUCLEAR ACTIVITIES (PROHIBITIONS) BILL 2000

Introduction and First Reading

Bill introduced, on motion by Hon Giz Watson, and read a first time.

Second Reading

HON GIZ WATSON (North Metropolitan) [7.37 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to prohibit exploration and mining for uranium or thorium. It will also prohibit the construction or operation of certain facilities associated with the nuclear fuel chain. The intention of this Bill, as clearly set out in the objects of the Bill, is to protect the health, welfare and safety of the people of Western Australia and to limit deterioration of the environment by prohibiting the establishment of uranium or thorium mining and prohibiting certain nuclear activities.

This Bill is not intended to inhibit the lawful use of radioactive isotopes for legitimate medical or engineering purposes. These uses will continue to be regulated under the Radiation Health and Safety Act 1975.

There is a high level of community support for such legislation. Australia has approximately 30 per cent of the western world's uranium deposits that are accessible at low development cost. The majority of these deposits are within Western Australia. A significant number of identified uranium mines could become operational at very short notice. In the Department of Minerals and Energy magazine, *The Prospect*, June-August 1996, the Department of Resources Development identified 11 uranium mines that had potential for development. A further 300 or so tenements are being explored or held for their uranium potential.

Western Australia potentially stands on the brink of becoming an exporter of enriched uranium and a major player in the nuclear fuel chain. This is despite the fact that the majority of Western Australians oppose the mining of uranium and have valid reasons for wanting it to be left in the ground. At both a state and commonwealth level, current government policy is to facilitate and actively encourage the establishment of nuclear industries. Australia currently has two operating uranium mines - Ranger and Roxby. Despite strong public opposition, the Commonwealth Government has approved the construction of the Jabiluka and Beverley uranium mines and the construction of a new nuclear reactor in the heart of Sydney.

This Bill seeks to enact the wishes of those many Western Australians who want to prevent uranium mining, the construction of nuclear reactors, the production of nuclear waste and the proliferation of nuclear weapons. The Bill also seeks to restrain those who wish to exploit those uranium deposits, despite the risks to human health and the environment.

The recent events surrounding the proposed establishment of an international nuclear waste dump in Western Australia have highlighted the risks associated with the nuclear fuel chain and its resultant toxic waste. It is clear that the mining and production of nuclear material is inextricably linked to the production of highly radioactive toxic waste. Many people in this State want no part in the nuclear industry. Prohibiting the exploration for and mining of uranium and thorium removes any possible moral argument that Western Australia should receive the waste that will ultimately be generated from the use of that uranium or thorium.

Further, the Nuclear Waste Storage Facility (Prohibition) Bill, which passed through Parliament late last year, failed to adequately address issues of public concern such as the transportation of nuclear material. This Bill addresses that concern.

Western Australians have consistently been at the forefront of opposition to uranium mining, nuclear power generation and nuclear weapons. Indeed, we are the only State in the world that has elected a senator, Jo Vallentine, on the single issue of nuclear disarmament. A 1998 random survey of 116 shoppers in Fremantle by members of the Anti-Uranium Coalition of WA found that 74 per cent were opposed to any uranium mines in Australia. A petition presented to this place, signed by more than 20 000 Western Australian citizens, opposes the proposal to establish a uranium mining industry in Western Australia because of its associated health impacts on members of the community. The matters raised in this petition have been referred to the Standing Committee on Ecologically Sustainable Development.

Many Aboriginal communities in Western Australia are facing the prospect of uranium mining on their traditional lands. There is substantial traditional knowledge that Aboriginal people were and are well aware of the dangers of radioactive ore bodies, and describe areas where there are uranium deposits as "sickness country". In many places Aboriginal people have

already suffered as a consequence of nuclear activities - at Maralinga, Jabiluka and now at Beverley. This Bill will support the aspirations of those Aboriginal communities which have clearly stated their opposition to uranium exploration, mining and nuclear testing.

Thirty-three local government authorities have declared their shires nuclear free, and 15 of those, including the Shire of Chapman Valley, are investigating amendments to their town planning schemes to give this declaration the weight of law. There is growing recognition that Western Australia's involvement in the nuclear fuel chain will jeopardise its clean, green, international image. It also has the potential to damage industries that benefit from our relatively unpolluted environment and this clean, green image.

In introducing this Bill, I state that I believe the nuclear industry poses an unacceptable risk to human health and the environment, and imposes an environmental debt and unacceptable burden on all future generations. At every stage of the nuclear fuel chain - that is, the mining, enrichment, fabrication, use and final storage or disposal of uranium and thorium - human health and the environment are endangered. Mining operations at both Roxby Downs and Ranger have irrevocably contaminated the ground and surface water bodies. Workers in all stages of the nuclear chain are exposed to the risks associated with ionising radiation, either by direct radiation or by ingestion of radioactive particles. Radiation can induce cancer and inheritable genetic disease, both of which usually appear decades after exposure. Radiation can also lower the ability of the body to respond to infection, by interfering with the immune system. There is no safe lower limit of radiation exposure. The dangers to human health include higher incidence of cancers of the lungs and testicles among uranium miners, and 10 times the national average of the incidence of childhood leukaemia in their children.

By far the most serious consequence of participating in the nuclear fuel chain, by either mining uranium or thorium or the construction and operation of nuclear reactors, is the production of intractable waste: Waste that clearly no-one wants. Members will know that waste from the mining, milling, enriching, use and reprocessing of nuclear material is dangerous to human health. Nuclear material is defined in the Bill as any radioactive substance associated with the nuclear fuel chain, including fertile and fissile material, spent fuel and waste. Some of these nuclear materials remain radioactive for 250 000 years. In the interests of intergenerational equity, it is imperative that we avoid imposing the horrendous burden of nuclear waste on those yet unborn. Future generations have a right to inherit an environment that is at least no more contaminated than ours.

Far from being the pinnacle of pioneering science and technology, the nuclear industry has in fact had a stifling effect on scientific development. The furthering of the nuclear industry as a whole has prohibited research in many other fields and has consumed vast sums of research dollars, which have inhibited the development of renewable energy systems and alternative medical and industrial technologies.

The Bill also recognises Australia's international commitment to nuclear nonproliferation and seeks to introduce prohibitions and regulations that are consistent with those commitments. The production of nuclear weapons is inextricably linked to the nuclear fuel chain. There is ample evidence that international laws and practices to prevent radioactive material from so-called civilian reactors being used in the manufacture of nuclear weapons are a failure. It is entirely possible that if uranium or thorium were mined in Western Australia, such material could be used to make nuclear weapons.

The Commonwealth has, of course, responsibilities to ensure that international nuclear nonproliferation and safeguard obligations are met. By passing this Bill, we would be greatly assisting the international objectives of nuclear nonproliferation and the elimination of nuclear weapons. The Commonwealth Government presently recognises the rights of States to act in this area. When announcing the results of the review of commonwealth functions on 30 April 1981, the Commonwealth declared that the responsibility for the nuclear industry would rest with the States, subject to a commonwealth overview. If enacted, this Bill will bring Western Australia into line with Victoria, which had the foresight to go nuclear free in the 1980s.

I turn now to the specific provisions of the Bill. The objects of the Bill have been discussed in my earlier comments. It is intended that the State Government must comply with this legislation. In order to make this explicit, clause 4 provides that this Act binds the Crown. Clause 5 prohibits exploration or mining for uranium or thorium. However, uranium or thorium may occur in conjunction with other minerals, the mining of which this Bill is not intended to inhibit. An example is the mining of mineral sands. This clause therefore permits incidental mining or quarrying of ores containing small percentages of uranium or thorium.

Clause 6 prohibits the construction or operation of certain facilities. Prohibited facilities include a reactor, a critical facility, a conversion plant, a fabrication plant, a repossessing plant, an isotope separation plant or a separate storage installation. This clause recognises that the operation of any of these facilities would create an unacceptable risk to the health of current and future generations, as well as cause environmental degradation. Clause 7 provides for a third party to seek an order from the Supreme Court or a judge to remedy or prevent a breach of this Act. It also provides for possible class actions. Clause 8 provides penalties for a person convicted under this Act of $250 000 for an individual and $500 000 for a body corporate. A continuing offence has a penalty of $50 000 for each day.

In conclusion I ask members to consider carefully the opportunity that this Bill presents to this Parliament and Western Australia. I believe it provides the opportunity to act with vision and foresight to prevent the establishment of a nuclear nightmare in this beautiful State of ours; the opportunity to reject participation in a dangerous and corrupt industry; the opportunity to choose safe, sustainable industries for this State; and the opportunity to reduce the dangers of nuclear weapons worldwide.

I am proud to introduce this Bill on behalf of the Greens (WA) and to fulfil a major commitment of my inaugural speech to do all I can to prevent the mining of uranium in Western Australia. I call on all members to support this Bill which will ensure a nuclear-free future for all future generations of Western Australians. I commend the Bill to the House.

[Interruption from the gallery.]

The PRESIDENT: Ladies and gentlemen, most members in this place are pleased that there are visitors in the public gallery tonight. One of the rules of this place is that those elected to the House get the opportunity to speak and make a noise. Until you are elected, regrettably, you do not have that opportunity. A number of options are available to me and I believe we should make an arrangement whereby I am happy for you to stay so long as you are happy not to make a noise. It is entirely up to you.

Debate adjourned, on motion by Hon Muriel Patterson.

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

Estimates of Expenditure 2000-01, Twenty-eighth Report

Hon Simon O'Brien presented the twenty-eighth report of the Standing Committee on Estimates and Financial Operations, on the estimates of expenditure 2000-01, and on his motion it was resolved -

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

[See paper No 1083.]

GOVERNMENT RAILWAYS (ACCESS) AMENDMENT BILL 2000

Receipt and First Reading

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

Second Reading

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [7.52 pm]: I move -

That the Bill be now read a second time.

Members will be aware that the Western Australia rail access regime provides third-party access seekers with a legislated right to negotiate access to the Westrail network. The regime consists of the Government Railways (Access) Act 1998 and the Government Railways Access Code. To oversee the access process, the Act designates a regulator to monitor and enforce compliance with the provisions of the regime, including the administrative arrangements that Westrail is to have in place for the purposes of implementing the code. This includes the power to make directions with respect to the effective segregation of Westrail's access-related functions.

In addition to the monitoring and enforcement role, the regulator is responsible for -

reviewing the effectiveness of the code after three years and then every five years;

establishing panels of persons who may act as arbitrators - on the recommendation of the Chairman of the WA Chapter of the Institute of Arbitrators and Mediators Australia;

appointing suitable persons from the above panel to act as arbitrators to hear and determine disputes related to the negotiation of access agreements;

approving a number of elements in the regime such as Westrail's floor and ceiling prices for each route, costing principles, network management principles, train path allocation policies and capacity transfer policy;

registering access agreements and arbitrators' determinations; and

annually determining and publishing the weighted average cost of capital for use in calculating the capital costs used in setting access ceiling prices.

The regulator is defined in the Act as the person who holds, or is acting, in the position of Director General of Transport. The Act also provides for the independence of the regulator who, in the performance of his or her functions, is not subject to direction by the minister or any other person. Recent developments have prompted the need to reconsider whether the Director General of Transport should be the regulator or whether it is more appropriate to establish an independent office to oversee the implementation of the access regime. The National Competition Council, in reviewing the Western Australian application for certification, has indicated that it does not consider the regulator, being the Director General of Transport, as sufficiently independent and that it is of the view that there are potential conflicts of interest with the Department of Transport's overall role in transport policy and advice as well as rail safety. This view has also been expressed by other stakeholders.

In order to satisfy the NCC on the level of regulatory independence, either very extensive and prescriptive information on how the regulator will undertake his responsibilities in an independent manner would need to be incorporated in the regime, or an independent office of the Rail Access Regulator would need to be established. Industry is supportive of the sale of Westrail freight so long as an effective access regime is in place to facilitate on-rail competition. An independent office

of the regulator is now seen as necessary to provide confidence in the effectiveness of the access regime and to advance the NCC certification process. After extensive discussions with the NCC, and consideration of the most efficient and effective way to ensure the level of regulatory independence sought by the NCC and the industry, the Government has reconsidered the establishment of such an independent office of the Rail Access Regulator and agreed to amend the Government Railways (Access) Act 1998 to establish this office.

Members would be aware that these amendments were printed and placed on the Legislative Council Supplementary Notice Paper No 10, to be moved in committee as part of the consequential amendments to the Rail Freight System Bill 1999. This was done as the Government considered that the sale of Westrail's freight business necessitated the acceleration of the implementation of an effective access regime, including the enhanced regulatory oversight arrangements agreed with the NCC. The Government initially received advice that the Legislative Council could not consider the specific amendments which established and provided for the staffing of the Office of the Independent Rail Access Regulator and that the correct course would be for the Legislative Council to send a message to the Legislative Assembly requesting that those specific amendments be made by the Assembly.

Mr President, you have subsequently ruled that the requested amendments were out of order as the request was contrary to section 46 of the Constitution Acts Amendment Act 1899. In accepting your ruling, the Government agreed not to move these amendments and advised Parliament of its intention to reintroduce them in a separate Bill, and that it reserved the right to introduce them as a matter of urgency. The amendments to establish an independent office of the Rail Access Regulator are now introduced to this House as the Government Railways (Access) Amendment Bill 2000.

It is proposed that an independent Rail Access Regulator similar to the Independent Gas Pipelines Access Regulator be established. The Rail Access Regulator would report to the Minister for Transport but be appointed, and removed in certain circumstances, by the Governor. He or she would not be a public servant, would be appointed for a term of office of three to five years and, on the expiration of a term of office, would be eligible for reappointment. The Governor would also determine the conditions of office of the Rail Access Regulator and be able to suspend the regulator in certain circumstances. The suspension must be confirmed by both Houses of Parliament before the regulator can be removed from office.

The Rail Access Regulator will be required to take an oath or make an affirmation that he or she will impartially perform the functions. The Rail Access Regulator will be entirely independent of direction or control by the Crown or any minister or officer of the Crown in the performance of the regulator's functions and powers, and from industry. The minister will be able to give directions to the regulator, but those directions may relate only to the regulator's management responsibilities and will not constrain or impair the regulator's independence in fulfilling his or her functions. Such directions must be published in the *Government Gazette* and tabled in both Houses of Parliament. The regulator will be required to inform the minister of potential conflicts of interest, and the minister will be empowered to direct the regulator to resolve a conflict of interest; or, if the conflict is not resolved to the minister's satisfaction, the Bill provides for the Governor to appoint an acting regulator. Administratively, the Rail Access Regulator will be able to delegate functions or powers, and appoint an acting regulator and other persons whose terms and conditions of employment are also to be determined by the Governor. Public service officers are to be appointed or made available under part 3 of the Public Sector Management Act 1994.

There will be provisions for government agencies to be engaged to perform administrative and support services and also for the regulator to engage persons under contracts for professional, technical or other assistance. Accompanying these authorities for such an office will be corresponding responsibilities associated with the Financial Administration and Audit Act 1985. As the Rail Access Regulator is regulating a single entity, the track owner, and has no revenue-raising powers, funding from the consolidated fund will be required.

The Government Railways (Access) Amendment Bill also contains consequential amendments to three Acts: The Constitution Acts Amendment Act 1899, the Financial Administration and Audit Act 1985, and the Parliamentary Commissioner Act 1971. The consequential amendments are necessary to ensure that those Acts recognise the existence and status of the Rail Access Regulator.

In conclusion, the amendments the Government is making to the Government Railways (Access) Act 1998 are another important step towards instilling confidence in the rail industry that the regulatory framework for rail access in Western Australia has the necessary independence to ensure its overall effectiveness. The Government is committed to continue rail reform for the benefit of both the transport industry and its customers. I commend this Bill to the House.

Debate adjourned, on motion by Hon E.R.J. Dermer.

HORTICULTURAL PRODUCE COMMISSION AMENDMENT BILL 1999

Assembly's Message

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

COURTS LEGISLATION AMENDMENT BILL 2000

Receipt

Bill received from the Assembly.

Motion

HON PETER FOSS (East Metropolitan - Attorney General) [8.02 pm]: I move -

> That each and every resolution made by the House that was necessary for, or related to, the passage of the Courts Legislation Amendment Bill 1999 be, and is now, rescinded.

The reason for this motion is that the Courts Legislation Amendment Bill 1999 was initiated in this House, passed through all stages in this House and then was sent to the lower House where the Speaker ruled it out of order. It is a matter of some concern that there is a significant difference in the interpretation of the Constitution between the two Houses. That is a matter I am hoping we will be able to address by some form of agreement between the two Houses. That may take some time. In the meantime, it is important that this legislation, for which this House has already indicated its support, be able to pass through the Parliament. The only way in which that can happen, by reason of the standing orders of this House, is if there is a motion to repeal, as I have just moved. It requires at least seven days' notice. That seven days' notice has been given and has expired. I am sure that members are well aware of the circumstances, and I urge the House to support this motion.

Question put and passed with an absolute majority.

First Reading

Bill read a first time, on motion by Hon Peter Foss (Attorney General).

Second Reading

HON PETER FOSS (East Metropolitan - Attorney General) [8.05 pm]: I move -

> That the Bill be now read a second time.

This Bill deals with a number of administrative issues requiring amendments to the Supreme Court Act, the District Court of Western Australia Act, the Liquor Licensing Act and the Local Courts Act. Specifically, the Bill proposes reform in the areas of, first, mediation in the Supreme Court; secondly, establishment and review of court fees in the higher courts; thirdly, judicial support staff in the higher courts; fourthly, appointment of commissioners to the District Court of Western Australia; fifthly, the Liquor Licensing Court; and, sixthly, the payment of judgment debts in the Local Court. For the benefit of the House, I will set out the key features of each of these reforms.

Mediation in the Supreme Court: It is proposed to insert a new part VI into the Supreme Court Act dealing with court annexed mediation in the Supreme Court. The amendments give statutory force to the principle of confidentiality and the "without prejudice" evidentiary privilege which are the cornerstones of the mediation process. Mediation conferences were introduced in the Supreme Court in 1993 as part of the case management initiatives designed to reduce delays and costs to litigants, and are now an integral component of the court's case flow management program. Mediation is a highly developed and successful avenue for resolving disputes in the court and an important step in the process by which a matter proceeds to trial. It has brought substantial benefits to the parties to litigation in earlier settlements and the savings of legal costs. It has also brought benefits in saving court trial days, estimated at 670 days in 1998. Currently, the confidentiality of the mediation process and its "without prejudice" status have been underpinned by the Rules of Court and by the terms of the common form mediation order. This is now seen to be problematic, as recent cases indicate that these matters cannot be adequately addressed other than by amendments to the Supreme Court Act.

The amendments will reinforce the integrity of the mediation process in the Supreme Court by, first, imposing on parties and/or mediators a statutory obligation of confidence; secondly, clearly defining and extending the scope of the "without prejudice" basis of the mediation; thirdly, conferring on mediators who conduct mediation conferences under the director of the court, the obligations, privileges and immunities of a judge; and, fourthly, making clear the scope of the court's rule-making powers in respect of mediation. These are non-contentious amendments derived substantially from model legislation drafted by the Law Council of Australia and endorsed by the Standing Committee of Attorneys General.

The Bill also deals with changes in responsibility for the court fee fixing and review processes. Within the administration of the courts, two completely different procedures for the fixing and review of court fees have evolved, with the lower court process being controlled by the Executive and the superior courts by the judiciary. Within the lower courts, responsibility for fees rests with the courts' administration personnel who formulate recommendations as a result of annual reviews in accordance with the requirements of the Financial Administration and Audit Act. In the superior courts, however, the fees can only be prescribed or changed upon the recommendation of the majority of judges of the court, as approved by the Treasurer. This process provides a potential for conflict between the court administrator's statutory requirement to annually review fees and charges and the views of the judges of the court on appropriate fees and charges.

The Bill simply proposes that the superior courts' process be brought in line with that in the lower courts. Under the amendments, consistent with practice in relation to the lower courts' fees, proposed variations will still be subject to scrutiny by the parliamentary Joint Standing Committee on Delegated Legislation. Again, these amendments are regarded as non-contentious as the proposals bring the State in line with the practice in other States, with the exception of Tasmania, which still retains the fee-setting power with the judiciary.

The third area of reform relates to judicial support staff in the higher courts. The background to this is that the Supreme Court Act 1935 provides for the appointment by the Attorney General of associates and ushers but does not include other

personal assistants of the judiciary, such as the courts' public information officer and the Aboriginal liaison officer. To date, appointments to those other positions were considered to be personal assistants to the judiciary, and not therefore subject to controls arising from appointments under the Public Sector Management Act.

However, as a result of recent further research in the course of establishing workplace agreements and enterprise bargaining arrangements, doubt has been raised as to who is the employer, and what is the employment status of such staff. The Bill clarifies these matters, in part by providing for the various types of judicial support staff not to be subject to the provisions of the Public Sector Management Act. As such, it will also remove any doubt that such employees may otherwise be responsible to two authorities. The Bill also provides authority for public service officers to be seconded into these positions and effects minor changes in terminology.

Further amendments relate to the power to appoint associates, orderlies and other assistants to the judiciary in the District Court. Currently, provisions of the District Court Act are silent with regard to the appointment of such officers. Among other problems, the process is unnecessarily cumbersome as it requires the Governor to make appointments. In addition, the section provides that they shall be appointed under and subject to the Public Sector Management Act 1994, which is inappropriate as appointments are to the positions of personal staff to the judges. Reflecting this, the Bill simply provides for a process consistent with that sought to be established under the Bill for appointment of personal staff to the judges of the Supreme Court, and existing in the Family Court. The amendments to both Acts are considered non-contentious, as they merely rectify procedural shortcomings and provide for a simplified and standardised process of appointment across the superior courts. The District Court Act presently contains different qualification requirements for appointment as a judge against appointment as a commissioner. The Bill amends the qualification requirement for appointment as a commissioner to include the same requirement for appointment as a judge. This amendment is another non-contentious reform, merely standardising the qualification requirements.

As noted earlier, the Bill also deals with aspects of the Liquor Licensing Court - specifically its current status as a separate entity. In July 1998, administrative responsibility for the Liquor Licensing Court was transferred from the Ministry of Racing and Gaming to the Ministry of Justice, where for administrative purposes it was appended to the District Court of Western Australia. To formalise this transfer, the present provisions of the Liquor Licensing Act relating to the appointment and conditions of the judge, or acting judge, of the Liquor Licensing Court are repealed.

The provisions of the Bill enable the Chief Judge of the District Court to nominate, from time to time, a judge or commissioner of the District Court to be the Liquor Licensing Court judge, or the acting Liquor Licensing Court judge. The Bill also provides for the present Liquor Licensing Court judge to continue to hold that position so long as he continues to hold a judicial appointment. Consistent with other provisions of the Bill, these amendments are also considered non-contentious. In short, they do little more than provide flexibility in allocation of judicial resources between the District and Liquor Licensing Courts.

The final area of reform dealt with by the Bill relates to an aspect of the payment of judgment debts in the Local Court. Specifically, the Bill will allow for payments, in full or by instalments, to be made direct to the plaintiff or the plaintiff's solicitor. This amendment will allow judgment creditors to receive payments sooner than they do now by removing the double handling of payments through a Local Court.

The proposed amendments in the Bill have been identified as a result of an ongoing review of court processes and relevant legislation by the court services division of the Ministry of Justice. The Bill reflects a continuing public interest in a more efficient and effective justice system, and does no more than seek improved accessibility to justice through increased efficiency and effectiveness in the operation of the courts. I commend the Bill to the House.

HON N.D. GRIFFITHS (East Metropolitan) [8.12 pm]: This Bill comes before us in unusual circumstances, as outlined by the Attorney General. The Labor Party supports the Bill which is in the same terms as the Bill of the same name which came before us in the year preceding. This is the 2000 version of the 1999 Bill. It is a delight to listen to the Attorney General repeat almost verbatim his words of 10 November 1999. I do not intend to repeat my words of 16 March 2000. I refer the House to page 5105 of *Hansard*, which reports that I commenced my speech at 3.20 pm and concluded at 3.23 pm. I will be more brief on this occasion. If the Attorney is of mind to use the processes of the House to pass all stages, the Labor Party will do what it can to facilitate that process.

Debate adjourned, on motion by Hon Norm Kelly.

WORKERS' COMPENSATION AND REHABILITATION AMENDMENT BILL 2000

Assembly's Message

Message from the Assembly received and read notifying that it had disagreed to the amendments made by the Council and substituted amendments in their place.

ROAD TRAFFIC AMENDMENT BILL 1999

Second Reading

Resumed from 20 June.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [8.14 pm]: The Labor Party welcomes this Bill,

which is finally before the House after years in the making. The legislation was promised back in 1993, and the majority of the amendments now on Supplementary Notice Paper No 38 were promised in 1997-98. Regrettably, this legislation was held up by processes about which much debate has taken place. Various lobby groups moved on the Government's legislation to ensure that the original concepts for the legislation were altered and provisions were removed. The farmer and used car sales lobby and the Liberal Party spokesperson for Transport, the member for Vasse, and others effectively kept this legislation from the light of day for some time.

This Bill has many positive aspects which the Labor Party supports. Areas of concerns were flagged in the other place and recently in this place; they have been subject to long and ongoing debate. The most controversial aspect of the Bill is owner-onus. About 20 per cent of people do not pay their speed camera and red light camera fines, and the police indicate that they do not have the powers to investigate and make offenders pay. Hence the need for some owner-onus legislation. There is massive evasion of fine payments, especially by drivers of fleet vehicles or vehicles owned by corporations. Fine provisions are woefully weak, and are virtually an optional fine payment system when a vehicle is owned by a corporation. The Labor Party considers that not to be fair for the vehicle owner or conducive to road safety. Speed and red light cameras have been positive in reducing the road toll, and controlling speed and dangerous conduct at intersections. It is not acceptable for one class of our community - namely, those who drive vehicles for a corporation - to have a different system.

The other problem is that 45 per cent of drivers are not identifiable in photographs taken of speeding cars, which represents a significant opening to avoid liability. Increasingly, that opening is understood in the wider community, and people avail themselves of that reality.

The statement contained in proposed new section 102B(4)(b)(iii) that a statutory declaration should state that the responsible person did not know and could not reasonably ascertain the name and address of the driver is too weak. If the reasonable ascertainment were based on the identification of a photograph, it would be no help in 45 per cent of those cases. I was surprised how widespread this practice has become. It is the view of the Labor Party that such practice should end and people should not get out of fine payment in that way.

It appears that the legislation does not require car yards or other corporations with fleet vehicle to keep records of the driver of the vehicle at a given time. The wording in the Bill is more lax than the wording of legislation passed by other States. We again must rely on the notion of photographic evidence.

The Opposition welcomes many amendments which the Government has introduced. The Opposition appreciates the minister's offer to ensure we can fully assess the matter. The minister indicated the expeditious handling through the second reading stage tonight will enable us to move into committee next week on the Bill. The Opposition will then move a couple of additional amendments to another part of the a Bill; that is, to ensure a greater obligation to reasonably ascertain the identity of the driver. That amendment will be on the Supplementary Notice Paper tomorrow. It will then be available for members to look at. The Opposition supports the requirement for people to have a photograph and signature on their drivers licence. We are pleased that the proposed amendments change the penalties for the use of photographs and signatures that restrict their use. The Government has not completely addressed the concerns that were raised but it has gone some of the way; for that the Labor Party will not oppose the legislation.

Another aspect about which the Opposition has concerns is the national driver legislation that was first promised in the wake of the Greenmount Hill tragedy in late 1993. This system proposes to introduce a raft of different drivers licences to replace the current B and C-class licences in recognition of the fact that a more sophisticated array of vehicles is now on the roads. The Opposition supports that proposal but is concerned about one part of the transitional provision. The Government has decided that in order to avoid the need for every person who had an existing truck drivers licence to re-sit the test to gain the appropriate classification, a person with a C-class licence can gain a licence for one of the heavier classes of vehicles if he has a letter from his employer saying that for the past 12 months he has been driving a vehicle of that type. The Opposition supports the principle that people who are experienced in driving that class of vehicle should be given the right to move to that heavier class of vehicle automatically. However, we should also ensure that the people who will benefit from these transitional provisions have the required experience. A letter such as that required will not provide sufficient assurance that the person in question has gained the required experience. We will move an amendment that a person must have a statutory declaration from his employer stating that he is an employee or subcontractor with that employer and outlining the nature of that person's experience.

We support the proposed graduated driving training system as a positive initiative. Overall the Labor Party supports the objectives of the legislation, but we believe the owner-onus legislation is not sufficient to achieve these objectives. Other States provide for statutory declarations to be prima facie evidence that a certain person was driving the vehicle at a particular time. The onus of proof is on the person nominated in the statutory declaration. It is his responsibility to show he was not driving the vehicle at the time; however, because of the reliance -

Point of Order

Hon DERRICK TOMLINSON: Would it be in order for me to move that the member's speech be incorporated into *Hansard*?

The PRESIDENT: When it becomes the practice of the House to do that, it will be appropriate, but it is not the practice of the House for reasons I hope are well known to members to have anyone's speech incorporated into *Hansard*. The Leader of the Opposition must battle on.

Debate Resumed

Hon TOM STEPHENS: I succeeded in doing it once a long time ago but it was the first and last time I have ever seen it happen. However, because of the reliance on photographic evidence in Western Australia, in 45 per cent of speeding incidents, the driver will not be identified in the photographs; therefore, in 45 per cent of cases, people will be able to say to the police that a case cannot be established beyond a reasonable doubt. I will finish my speech on the Bill in this way -

Hon Derrick Tomlinson: Without notes?

Hon TOM STEPHENS: Yes, without notes. In fulfilment of a commitment I made to the Minister for Transport, I will be brief. These issues have been well and truly canvassed in Parliament by members of this House, more widely in the media and most especially by the Labor opposition in the other place through the shadow Minister for Transport, who was aided, abetted and assisted by many of our colleagues in that place. Despite the brief manner in which I present that case tonight, I nonetheless hold those views very strongly. We will come forward with the amendments about which I have spoken in the early part of next week. I will not spend endless time next week in committee handling those amendments.

Hon N.D. Griffiths: You will?

Hon TOM STEPHENS: I will be here and I will deal with them quickly. By virtue of the fact that they will be dealt with expeditiously, members should not think for a minute that the Labor Opposition does not want anything other than the fulsome support of the members of this House - ideally the Government, and hopefully, if not the Government, the majority of members of this House; that will be up to the Committee. I do not know what the lie of the land will be when those amendments are brought forward. That will be up to the other members of the House when they get the chance to see those amendments that will arrive, as I promised, tomorrow. Nonetheless, we are pleased that the legislation has got to this point; we regret that it has taken so long.

HON J.A. SCOTT (South Metropolitan) [8.26 pm]: The Greens (WA) also support this Bill. The more comprehensive driver training program outlined in the Bill will be a great advantage in assisting to bring down the road toll, especially among our young people. That is an outcome all members in this place would like to see. It is unfortunate given that pedestrian deaths seem to be the major issue at the moment. We do not have a system to provide for protective action from motor vehicles by pedestrians. I do not know whether one should train the pedestrians or the motorists to stay on the roads. That is an area that needs to be looked at soon. I am not sure whether that is tied up with the increasing and widening roads around the metropolitan area which encourage higher speeds. Nonetheless, that measure will be valuable.

The Bill brings in a sensible change to a more uniform drivers licence classification so that drivers can move comfortably from State to State without getting into the wrong types of vehicles and breaking the law in those States. I believe it will be a boon to some of the truck drivers I have come across in the past who hold multiple licences. However, it may not be a great boon to the public because a lot of those people have multiple licences so that they can continue driving when they have lost one or two of their licences. The other change might help with the requirement for a photograph on the licences. Sensible changes are being made to the way in which the photographs are taken and stored. That is a good idea so that people will not have to get a new photograph taken if they lose their licence, as I seem to do very often - I mean losing it by dropping it out of my wallet. I am not as keen on the photograph on the licence as Hon Norm Kelly said he was in his speech - I do not know whether it is because of his previous profession or whether he is a better looking bloke than I am. However, I understand the value of the photograph for identifying people. It is valuable for people in their day-to-day transactions to have a photograph on their licence to indicate they are who they claim to be.

The owner-onus section in this Bill is a very reasonable proposition. I could not understand the lobbyists who were concerned about that aspect of the Bill. Most members would have received many letters from people with car yards and so on who pleaded that it would be hard for them to cope with the owner-onus provisions. If I had a car yard, I would want to see a drivers licence and to establish the identity of the person who wanted to take one of my cars before that person took it on the road. That is the only sensible way to go. After all, a car-yard dealer would not want a person who did not have a licence or who was not a very good driver to drive off in one of his vehicles and not bring it back. That was really a lot of hot air coming from those people. All in all, the Bill is perfectly sensible, and the Greens (WA) will support it.

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [8.31 pm]: I am pleased with the support this Bill has received. It is an important Bill from the point of view of young drivers, and it contains a range of issues which will be good for the community and which will have the effect of improving road safety and driving skills. Hon Tom Helm, Hon Norm Kelly, Hon Tom Stephens and Hon Jim Scott have all spoken on this Bill. I will deal with a few of the issues they raised. Apart from perhaps the owner-onus issue, about which there is a difference of opinion between the Government and the Labor Party, most people have a keen understanding of the Bill and support it in its present form.

The graduated driver licensing scheme has been accepted by all as a progressive way of dealing with the training of younger people under a new arrangement for driver training. It will be a good system. Hon Norm Kelly mentioned the road safety television campaign. I saw some results of that today which show that it has proved very successful. Hon Norm Kelly's observations are pretty close to the mark. Everybody has supported the driver licence classifications and the compulsory photographs and signatures on licences. Although Hon Jim Scott may well have reservations, I think he supports those provisions in their current form.

Hon Norm Kelly was concerned about the service of demerit point notices by mail. That will provide an alternative to personal service. The service of notices will be by way of person-to-person registered post. A person will be required to

establish his identity and to sign a form for the release of the notice. Therefore, an identification of the person will be required. I think that clarifies the question raised by Hon Norm Kelly. When a notice is returned unclaimed, the notice will be served personally. If it does not reach its destination in the first instance, the clear understanding is that it will finally reach that destination. The mail service of demerit point system notices will release police officers in regional Western Australia to focus on policing activities, and obviously that will be of great benefit not only to the community but also to the Police Service.

I mentioned earlier driver identification and owner onus. Although these issues have the support of most members, the Labor Party has some problems with them. The method we are putting forward of the statutory declaration, with the addition of a photograph, has served other States well, particularly Victoria, where the percentage of identifications has been very high. I think about only 1 per cent of people have not been identified, so the system is working very well.

I was interested in Hon Norm Kelly's and Hon Jim Scott's analyses of the system in the Bill. Hon Norm Kelly said that this system is well and truly worth a try, and I appreciate those remarks. I understand that the Opposition has some amendments, with which we will deal during the committee stage. Hon Tom Helm was concerned about the hazard perception test and the charges associated with that. The Government is giving final consideration to that matter. VicRoads has a similar system, and we are in close collaboration with it on how we will finalise that matter.

I am pleased about the support for this Bill. We will deal with the amendments in the committee stage. I have some amendments on the Supplementary Notice Paper, and I understand that there is a clear acceptance of them. We will obviously debate the other amendments concerning owner onus. However, there has been a indication of acceptance of those provisions by quite a few members opposite. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

ROAD TRAFFIC AMENDMENT BILL (No. 2) 2000

Second Reading

Resumed from 23 May.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [8.35 pm]: The Labor Opposition supports this Bill, subject to two minor amendments to proposed sections 103A and 103B, about which there has been discussion outside the House. The Labor Opposition recognises the importance of the national road transport reforms in Western Australia that will be able to be introduced as result of this legislation. The two amendments sought are intended to tighten the two provisions referred to. We are pleased that the Government has accepted the need for the amendment to proposed section 103A. From brief discussions with my colleague Hon Norm Kelly, I understand that this is also an area he flagged with the Government as being of concern to him. I learnt that this evening when I spoke to the member. I was not aware of that until he mentioned it to me. It would appear that the Labor Party has similar concerns. As a result, we will seek to make an amendment. The Government has indicated that it will come forward with one of the amendments sought.

With regard to proposed section 103B, the Labor Party is simply asking that the Government put in place the limitation by which it claims it will abide in any event; that is, a limitation to restrict the regulation making power to vehicle standards. The Labor Party will support the passage of the Bill in its amended form. Because of the uncertainty about the Government's attitude to the second amendment, it may be best to leave the committee consideration of this Bill until next week.

Hon M.J. Criddle: We will expedite it. We will have a vote and get on with it.

Hon TOM STEPHENS: Yes, we can have an expeditious debate. In this place, we all operate in different ways. Some members might be disappointed that I have not spoken ad nauseam on this legislation. I say to those members that there are many ways to put one's case. Those people who have put their case very well in the other place should feel pleased with their efforts. We have put our case differently here tonight. With a bit of luck, we will be able to achieve the support of this House in pursuing the amendments. I do not think anyone should have any reason to be disappointed about the debate tonight.

HON NORM KELLY (East Metropolitan) [8.38 pm]: The Australian Democrats also support the Road Traffic Amendment Bill (No. 2), which will make it much easier to implement the Australian vehicle standards rules, heavy vehicle operating standards and, if need be, other uniform codes of compliance across the country. It will make it much easier to get compliance with interstate truck movements. At the moment, there can be minor differences between States, which causes compliance difficulties. Hopefully, these uniform standards will overcome those difficulties.

When I had a briefing with the department's staff, I raised my concern that clause 5, which inserts new sections 103A and 103B, contains ministerial powers which appear to bypass proper parliamentary scrutiny. In that briefing I raised my concerns that, although a method existed for the minister to reach agreement with other state ministers and the federal Minister for Transport on national codes and rules, this could be put in place without scrutiny of the Western Australian Parliament. When the Australian Democrats raised these matters, I was not aware that the Australian Labor Party had also raised these concerns. The Democrats asked that amendments be drafted that would allow for these powers to be subject to disallowance and for Parliament to properly scrutinise such regulations. In the briefing, some examples were pointed out to me, including declaration of areas that would not normally be regarded as roads to come under the road rules. One example I proffered was a port area in which the general public has vehicle access. Victoria Quay is probably one example,

although I am not sure of the port authority's rules on private vehicles driving in that area. The minister could encompass such areas so that drivers must comply with road rules when driving in those areas, which makes good sense. The Bill also allows the minister to exempt certain vehicles or areas from such rules. For example, port machinery could operate within the area without having to comply with normal road rules. This is commonsense. However, concerns exist that using such a ministerial power by order and placing a notice rather than a regulation in the *Government Gazette* could inadvertently cause complications for people. For example, a car parking requirement could cause difficulty for individual retailers, depending on the nature of their retailing concern - whether it had a drive-in capacity etc. I will not go into the exact details. The Australian Democrats believe a good argument exists for ministerial powers to come under parliamentary scrutiny.

Unfortunately, although I asked for feedback from the department on these requested amendments, I have not as yet received any indication that such amendments have been drafted or are in the process of being drafted. I heard from Hon Tom Stephens that this is in the pipeline. The Democrats are disappointed that we have not had the feedback we asked for, given that it is now a few weeks since the initial briefing. For that reason we are not ready for the committee stage at the moment. However, we do not want to unnecessarily delay the passage of this legislation because it is good, commonsense legislation which should have the support of the House.

HON J.A. SCOTT (South Metropolitan) [8.43 pm]: The Greens (WA) also support the Bill. I would have given an almost identical speech to Hon Norm Kelly's except that I have seen a copy of the proposed amendment to ensure that the ministerial orders are subject to parliamentary scrutiny. I was happy with those, and I assume Hon Norm Kelly will be happy when he sees them. I support the Bill; it will make a positive difference.

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [8.43 pm]: I thank the members for their support. For the benefit of Hon Norm Kelly, an amendment has been circulated on the two issues that have been discussed, and his scrutiny of that might be useful in the near future. The power would be on a limited basis. It would not occur often. It would be unusual if it happened, and we have not seen many instances so far. I do not have too many problems with the amendment that has been reported, but we will discuss that during the committee stage. I thank members for their support and look forward to the committee stage and to progressing the Bill through the House.

Question put and passed.

Bill read a second time.

APPROPRIATION (CONSOLIDATED FUND) BILL (No. 1) 2000

Second Reading

Resumed from 20 June.

HON LJILJANNA RAVLICH (East Metropolitan) [8.45 pm]: I welcome the opportunity to make some comments on the Appropriation (Consolidated Fund) Bill (No. 1) 2000, which I support. I will focus tonight on the matter of leasing not only government vehicles, which we have heard a lot about in recent times, but also leasing generally - the way it is being promoted by the State Supply Commission and the possible adverse impact that is likely to have on government agencies and their finances over a long period.

Before I do that I will focus on the budget before us. As members would be aware, an overview of the State's economic and fiscal outlook shows that the State is not in a very good financial position. That is because the level of net debt is very high. The issue of debt depends to some extent on one's ideology, because at a personal level some people do not mind a degree of debt, whereas other people find debt to be a horrific thing to live with. When I look at the Western Australian economy and what is good and bad for it, bringing it down to a personal level sometimes makes it easier to deal with. Some people argue that debt is a good thing because it is forced savings, and provided one can service the level of debt it is not a problem. However, those people tend to pay a fairly heavy price when unforeseen circumstances arise, such as increases in interest rates, which tip them over the edge and make them unable to service their level of debt. Hence they end up with a large problem on their hands. On the other hand, some people do not handle debt at all and do not believe that debt is a good thing under any circumstance. I am one of those people who does not necessarily like debt. I always feel an enormous sense of obligation to repay debt quickly, because debt is an unnecessary cost that eventually must be paid. Through the process of payment one tends to be considerably out of pocket, because if one borrows money one must ensure that the debt is paid off. I see debt as a bad thing rather than a benefit.

It is easy to identify in the budget that the level of net debt for the general government sector is $1.181b, which is too high. The general government sector deals only with general consolidated fund agencies. A number of those are identified towards the end of the *2000-01 Economic and Fiscal Outlook.* The total public sector budget, which is outlined on page 24 of *2000-01 Economic and Fiscal Outlook*, shows that the net debt for the total public sector is $5.999b and is projected to increase to $6.124b by 2003-04. That level of debt is exceptionally high and the Government should pay more attention to it. The general government sector recorded a surplus of $42m in its net operating balance, which is an improvement on the previous year. However, the net operating balance for the total public sector is only $304m, and the net debt of $6b must be taken into account. We are not in a healthy economic position, which I find very concerning. Earlier this week, Access Economics released a report that found that the level of the Western Australian Government's net debt is concerning and predicted that, unless the situation improved, its AAA rating could be downgraded to AA. The Government has allowed this issue to get out of hand. It largely blames its public non-financial corporations, or public trading enterprises, such as Western Power and Water Corporation. The Government claims the high level of net debt is a result of infrastructure investment and the commercial activities of those agencies. That may be the case, to some extent. However, an unacceptable level of debt has been accrued by agencies in the general government sector.

I am concerned about a proposal to encourage government agencies to embark on accessing operating lease finance from private financial suppliers, rather than the Treasury. Page 282 of the *Budget Statements* refers to the major achievements of the Department of Contract and Management Services for 1999-2000 and states -

> A common use rental facility, to provide agencies with access to operating lease finance from a panel of financiers, has been designed and developed.

That panel would be outside of Treasury. The first thing I ask is: What would be the impact of government agencies being encouraged to access operating lease finances through a private financier? I quote from the *Budget Statements* -

> The facility aims to provide competitively priced finance, using a standard set of terms and conditions, for a wide range of equipment. It addresses many of the issues raised in the July 1999 Auditor General's report "Lease Now - Pay Later".

The facility might address some of those issues, but I do not think it has been sufficiently canvassed. What is the implication of encouraging government agencies to go away from Treasury and lease finance from private finance providers? It is more than likely that the agencies would access the finance at a higher interest rate. Who would check how much finance government agencies access from the panel of private financiers? I am also concerned about the likely impact of government agencies using private financiers to meet the cost of leasing or other costs, rather than borrowing from Treasury. I took the opportunity to raise this issue during the Standing Committee on Estimates and Financial Operations hearing. I found out that it is a bit too much of a political hot potato. Very little seems to be known about the proposal, although its development is fairly far downstream. I quote -

> Hon LJILJANNA RAVLICH: . . . Why will government agencies through the use of this contract be encouraged to secure operating lease finances from private financiers as opposed to Treasury? What is the impetus for this initiative?
>
> Dr SCHAPPER: The choice for finance alluded to in the question is a choice between public budget funds and private borrowings.

Agencies can get the funds either from Treasury or from outside the government sector. Dr Schapper said "there are no public borrowings out of the budget". If a government agency runs out of money or wants to spend more than what it has, it faces a budgetary restriction if it deals with Treasury, but it would be able to access the funds through a private finance provider. He continued -

> As the member will be aware, the Government has a choice between the outright purchase of equipment, which competes for budget funds in a very lumpy way, or Treasury's seeking to manage its funding in a much smoother way through leasing arrangements with the private sector, which implies private funding because the Government will be doing a deal with the private supplier of equipment on a rental basis.
>
> Hon LJILJANNA RAVLICH: Will the private borrowings for government agencies show up in the budget where they choose to borrow from a private financier?

I thought that was a reasonable question, although Dr Schapper did not agree. If the establishment of the panel contract means government agencies would have their own private borrowing source, surely the Government would want to know how much private agencies were borrowing. It must be accountable to the Parliament and the Western Australian taxpayers for the borrowings. Dr Schapper's response was that this is a budget management issue and it needs to be referred to Treasury. It is clear from my attempt to obtain information about what is proposed under this panel contract, whereby government agencies can access operating lease finance from a panel of financiers and go outside the normal treasury process, that it was too hard for Dr Schapper to respond to how this issue will be managed and where it will show up in the budget. Therefore, not only does Treasury have some explaining to do, but also Dr Schapper, who to the best of my knowledge has been involved in this process, should explain how this process will work and how borrowed moneys will be shown in the budget papers in the future if this initiative is to proceed, as I am pretty confident it will.

That brings me to my next point, because one of the areas on which I have spent some time is the leasing of vehicles under the Matrix vehicle fleet arrangement. As part of the work undertaken by the Standing Committee on Estimates and Financial Operations, it selected a number of agencies and asked them a number of generic questions. One of those questions was whether the cost of leasing had increased under the Matrix vehicle fleet contract and whether government agencies were getting value for their money. The responses that came back to the committee demonstrated clearly that, contrary to what the Government had been advising the Parliament and contrary to what had been reported in the media as the Government's perspective, the financials did not support the rhetoric of the Government. The question that was put to those 14 or 15 agencies was quite simple: How many cars did they have last year, and how much did they pay for them; and how many cars do they have currently, and how much are they paying for them. Each of those agencies said it had fewer cars this year than it had last year and was paying a considerably larger amount for those cars.

Hon M.J. Criddle: This is tedious repetition.

Hon LJILJANNA RAVLICH: It may be tedious repetition, minister; it is so tedious that the minister will not table the contract, and it is so tedious that he is defending the indefensible.

The DEPUTY PRESIDENT (Hon John Cowdell): Order! The speaker will address the Chair when the Chair addresses her, and the speaker will address the Chair rather than the minister.

Hon LJILJANNA RAVLICH: Thank you, Mr Deputy President. The responses demonstrated that the number of cars had decreased across that number of agencies by about 250, and the costs had increased from last year to this year by about $9m. The increased cost for the Health Department is about $3m. According to the Government's budget papers, an additional $42m has been provided to the Health Department. However, $3m of that $42m has been absorbed into this Matrix vehicle fleet leasing arrangement, so we can chop that $42m down to only $39m in Health, and at the end of the day it will get fewer cars and it will be $3m worse off.

If what I am saying sounds like tedious repetition, so be it. I am glad it is tedious, because if I say it often enough, members opposite may understand the seriousness of this situation. During the estimates committee, the Commissioner of Police was asked the simple question: Is the fact that the Police Service is down 89 vehicles and is paying $1.8m more this year than it was paying last year causing the Police Service any pain? The commissioner responded by saying, "No, not really." A very different view was put by the members of the Police Service at their annual conference.

Hon Peter Foss: The union, you mean.

Hon LJILJANNA RAVLICH: They may be members of the union, but at the end of the day they are representative of the people who work in the Police Service, and I can tell the Attorney that the message that has come through loud and clear is that when they get a call, sometimes they do not even have a car to respond to it. I do not know what that tells the Attorney, but it tells me that there is a problem within the Police Service and that the 89 vehicles that it is down is causing it pain and will continue to cause it pain. Not only is the number of vehicles down, but also the type of vehicle is being downgraded. While it was once imperative that the Police Service have 250-odd V8 vehicles - and I do not know whether they are normal operational vehicles or whether some of them have been fitted out for high-speed chases - it is now loud and clear that the Police service will get rid of those V8 vehicles and replace them with V6 vehicles. I can bet members London to a brick that the resale value of a V8 vehicle is nowhere near as good as that of a four-cylinder or V6 vehicle. I can also bet members London to a brick that at the end of the day, the cost of leasing a V8 vehicle with all the accessories is considerably higher than the cost of leasing a V6 or four-cylinder vehicle. We have a situation where although what I am saying is such tedious repetition that I am supposed to close my mouth and sit down -

Hon Peter Foss: Your thickness is the problem I object to.

Hon LJILJANNA RAVLICH: The Attorney should not worry about it. I am happy to be thick. The Attorney is so smart. He should just play with his Pokemon and keep himself happy. I am happy to be the way I am. The Government has a huge problem, and it knows it has a huge problem. I did not intend to go into this, but part of the reason that this is such an embarrassing situation for the Government is that the Under Treasurer was a party to the stitching up of this arrangement, together with the Premier and Mr Rohan Skea, if my sources are correct, and the people who were involved in stitching up this hopeless arrangement cannot afford to have it unstitched because of the political odium that that would cause the Government; so government agencies are being forced to defend the indefensible purely and simply to protect the position of the Government.

The reality is that the picture is not as rosy as the Attorney would like it to be. On Tuesday, 13 June, a meeting was held at the State Supply Commission. The Attorney General can look at me if he wants. It is amazing where sources of information come from with regard to what happens in government agencies. The bottom line is that there was a meeting at the State Supply Commission, and the future of this contract is being looked at very seriously. It is being looked at seriously because the benefits of it are very doubtful. They have become particularly doubtful in view of changes to the taxation structure brought about by the Ralph report, which directly impacted on the whole question of accelerated depreciation and, therefore, the ability of finance companies to claim accelerated depreciation and, because of that tax benefit, to then offer cheaper rates of finance and to promote these sorts of arrangements. The Government has got itself in a real pickle.

Today Hon Bob Thomas asked why, if it was such a good deal, a number of agencies were not a party to it. Indeed, a number of parties are not part of this deal. A number of government-trading enterprises and TAFE colleges have refused to be part of this deal. In fact, I have been told that a number of TAFE colleges which did not enter into the Matrix vehicle fleet agreement, but bought and maintained their own cars, are making profits. That throws out all the Government's claims about the drop in the second-hand car market, the impact of the goods and services tax, the increased fuel prices, etc. The bottom line is that if some government agencies have chosen the option of purchasing, operating and disposing of their own vehicles, and at the end of the day are making profits out of them, it blows the Government's argument right out of the water.

Hon Greg Smith: How can you make a profit out of owning and operating your own vehicles?

Hon LJILJANNA RAVLICH: The bottom line is that they make a profit from selling the cars. If the Government were honest and up front and did not carry on about how this is hollow rhetoric and just tabled the contract, that would be the end of it. Then we could look at the actual details. However, we have not seen it, so it is very difficult to know how the contract is structured in terms of where the fleet manager fits in, how the petrol costs are arranged and all those minor financial details.

It was not my intention to focus tonight's speech on the motor vehicle fleet. In fact, there are even more problems in relation to this whole question of leasing. The Department of Contract and Management Services section in the budget papers deals with the establishment of that common-use rental facility to provide agencies with operating lease finance from a panel of financiers, and the aim of it is to provide the competitive finance to enable government agencies to lease a wide

range of equipment. I have grave reservations about those sorts of leasing arrangements. I do not think enough work has been carried out throughout the whole public sector on how much leasing is currently carried out. The first time this issue raised its head at a systems level was when the Auditor General produced a report titled "Lease now - pay later?" which looked at the leasing of office and other equipment across the public sector. I do not know whether it was a comprehensive report, but it was a start in the right direction. He gave a number of reasons that government agencies were entering into leasing arrangements and he identified a number of drivers for leasing, including ongoing budgetary constraints; in other words, some government agencies do not have the money up front. The other day I was speaking to someone from a government agency who said that the agency needed about 10 photocopiers, and it did not have $100 000 of surplus cash to pay for them outright. As a result, the agency would have to go into a leasing-type arrangement. Ongoing budgetary pressures is a real consideration and it is one of the key drivers for leasing. There is also a need to maintain services. If something breaks down, some agencies do not want the hassle of arranging for it to be fixed. They do not want to be devoting resources to those maintenance functions. Asset support costs are growing. The private sector is thought to be a better manager, and that is another driver in the public sector. It is probably a very bad driver. The whole philosophy of "If it is from the private sector, it must be better" is where the Government got the ideology really wrong. There is a clear view that if a report is prepared by a consultant, it must be more valuable than if it were prepared internally. It costs four times more, but, because it is done outside, there is a perception that it must be better. Once again, that is the flawed thinking which currently prevails across the public sector.

Another important driver is that assets and liabilities can be taken off balance sheets. The Auditor General said that these operating leases are off balance sheets, although current year lease payments are recorded as a current year expense - that is, only what is paid for the lease that year is recorded - whereas future year payments are not recorded as a liability on the balance sheet. However, their value is disclosed by way of a note to the financial statements. I can understand that government agencies might be attracted to taking liabilities off their balance sheets, but I do not know that it enhances the budgetary process. It is a bit like an agency pretending it does not have a debt when it does have an ongoing debt or liability. The Government is encouraging, particularly through the establishment of this panel contract by the Department of Contract and Management Services, the view among public sector agencies that leasing is a good thing. A lot of agencies risk the potential of being caught out. I imagine that, because CAMS is putting this contract together in consultation with Treasury, government agencies will automatically think that, in some way, they do not have to pay too much attention to it, apart from deciding whether they are in or out, without necessarily doing all the calculations and the cost benefit of the longer term risks of taking out finance from a private financier to lease equipment.

I also have some concerns that we could be talking about quite large sums of money. In his report, the Auditor General made a number of points, first, in relation to the fact that no-one really knows how much leasing is being carried out by government agencies. That is problematic in itself, because these leasing costs obviously are not showing on the balance sheet. The long-term liabilities are certainly not being accounted for, and that is a problem. He identified that there appears to be a rapid growth in leasing. He pointed out that the leasing of office equipment, mainly personal computers in the Education Department, is accelerating. From 1995 to 1998, the cumulative value of these leases increased more than fivefold from about $5m to over $27m. These are substantial sums. That was the cost of leases entered into by the Education Department in 1998 - it would be considerably higher now. The health sector and other government agencies would also have a substantial amount of leased equipment.

Leasing is problematic. The changes brought about by the review of the taxation system as a result of the Ralph committee's work will also impact on the Matrix vehicle contract and other leasing contracts. Equipment will not be able to be depreciated over that short period. Over a longer period, the leasing costs as a result of that taxation change alone are likely to increase and to become increasingly problematic for the Government.

I will refer very briefly to photocopier leasing. Members might think this is boring, but I assure them that some government agencies, schools and other organisations have locked themselves into unfavourable lease arrangements. I refer to volume-based agreements, which involve the lessee not purchasing the photocopier but, rather, paying per copy. Considerable scope exists in that scenario for agencies to be ripped off. I understand that some of these agreements involve panel contracts, which are promoted by the State Supply Commission.

The Auditor General reported on a case in 1998 as part of the "Lease now - pay later?" report. He investigated a number of leases, including a five-year lease involving 15 photocopiers. He found that the per-copy rate was not split into a capital and service charge. This omission was significant as normally the capital charge would be fixed for the term of the lease. One clause gave the lessor the right to vary the agreed per-copy rate if the lessor's costs increased. No limits were set and no distinction was made between the capital and service components of the per-copy rate. In other words, the lessor could up the ante at any time. He also found a requirement for an agency to pay for a minimum of 100 000 copies each month. If the agency uses more than that, it is billed for the excess in the following month. However, if the lessee makes only 70 000 copies one month, the shortfall is not transferred to the next month. If the lessee makes more than 100 000 in one month, an extra amount is charged. It is a no-win situation. Once organisations enter into such an arrangement, it is almost impossible to pull out. Organisations that have 15 or 20 photocopiers leased under this sort of arrangement have a problem.

I understand that the legislation allowing these volume-based agreements in the United Kingdom has been repealed. Because they were so problematic, the British Parliament took action to ensure that the agreements were outlawed. After researching the topic and consulting with people who have been impacted upon by these arrangements, and by volume-based agreements specifically, I have come to the conclusion that a very strong case exists for action to be taken to ensure that this process is made more transparent.

One of the problems with volume-based agreements is that customers are usually won over by the purported benefits. When they enter into an agreement they think it is with the supplier of the equipment. In fact, they have entered into a contract with a finance company. Therein lies a big part of the problem. Often customers are advised to pay for the copies and not for the photocopier. That is very attractive because they do not understand that they are entering into a finance contract. There may be a ready facility to upgrade a copier with the introduction of new technology, and that sounds fine. However, they do not understand that the contract will be rewritten, varied or refinanced. Furthermore, customers are usually not aware of the total amount payable. A standard term and condition of these agreements implies that cost increases are permitted, and they are very much the order of the day.

I am concerned that the cost per copy is not fixed for the term of the agreement. The customer is usually not aware of the extent to which the price can be varied or that the cost per copy can be varied over the term of the contract. In addition, there is no ownership. At no stage is there provision for ownership of the actual capital equipment - for example, the photocopier. The photocopier must be returned. Usually under this arrangement, the person who holds the lease is responsible for the insurance of the equipment, even though he does not own it. People do not know they are not dealing with the photocopier supplier; the contract is with a finance company, which has full ownership and control of the copier and the total administration of the contractual obligations by which the customer must abide.

Fluctuating volumes mean that many customers pay too much too soon. No benefit or credit is provided for not meeting the agreed volume of copies. The excess is paid and no credit is provided for any volume below the agreed contract sum. No credit is given for over or under dedicated copy volumes and a penalty is applied for early termination of the contract. Often under these volume-based agreements the photocopier is prematurely upgraded. It is not as though the contract runs until the copier is on its last legs at which time it would have given maximum value. It is upgraded fairly quickly. The organisations that promote these volume-based agreements are Ricoh Office Automation Pty Ltd with its "Blue Chip" agreement, Konika Australia Pty Ltd with its "Five Star" agreement and Toshiba (Australia) Pty Ltd with its "Platinum" agreement. It is a matter of concern that government agencies are picking up on these contracts and entering into long-term arrangements.

I have put a number of questions on notice in relation to this matter and I am surprised at the responses. For example, the Department of Land Administration has three photocopiers. I asked what was the total cost for each contract to date. The answer was $143 572 for a contract entered into in 1995. I have not done a cost comparison of other contractual arrangements with the volume-based agreement contract. However, I have received enough complaints from people and organisations to warrant my bringing this issue to this place to try to get members to understand that this is a cause for concern. These leasing arrangements are causing great hardships to many agencies, organisations and schools.

The real shame of it is that due to cost constraints and because schools, hospitals and police stations do not have sufficient funds up front to purchase the equipment, they are forced into leasing it. As somebody explained to me the other day, agencies are not authorised to spend large sums of money; so one of the really attractive things about the volume-based agreement is the ability to enter into a contractual arrangement because the agency is authorised to pay 2.5¢ a copy. With that rationale, that is exactly what some of them do. They do not need to go to anyone to get authorisation because, on the face of it, they are not spending large sums of money; they are entering into a contract. They are only signing up for 2.5¢ a copy and in their mind they have struck a good deal. Before long, they realise it is not such a good deal but is a very bad deal.

It is of concern that the proposal by the Department of Contract and Management Services will encourage more government agencies to enter into these leasing arrangements. I do not think any good can come of it. My experience is that cash is king. If people can afford to buy something with cash, they will get a better deal than if they enter into a leasing arrangement for a long period, during which time someone will make a dollar from them. Much of this covers the whole public sector and does not impact on any one government agency. The leasing of photocopiers, vehicles, medical equipment and so on seems to be a system-wide issue, and this is a great opportunity to bring this matter to the attention of the Parliament and the public.

The last issue I raise is risk management in relation to leasing and contracting. One of the areas of which I have been a critic is the Government's contracting-out agenda, and the lack of due process in government contracting. Time and again I have expressed my concern in this place. I am particularly critical about risk management. Some time ago I made a freedom of information application to the Department of Contract and Management Services in relation to contracting risk management. I obtained from the department some supporting documentation from its executive meetings, one of which was a meeting held on 16 March 1998. It is an internal audit report on the Department of Contract and Management Services in relation to risk management. This report confirms what I had suspected for a long time and had tried to bring to the attention of this House and the public generally.

The report highlights that Treasurer's Instruction TI109, gazetted in July 1997, introduced formal requirements for the identification and management of risk. That means that hardly any contracts entered into prior to the release of the Treasurer's Instruction - in the four-year period between the Government coming to office and starting its contracting-out agenda and July 1997 - had proper risk rating, a risk management plan or ongoing risk monitoring. In my view this is the tip of the iceberg, and I intend to do a great deal more work in this area. I think I am spot on, and for some time I have claimed that many large contracts have been entered into by the Government without these proper checks being in place.

I shall go through the key findings of the report of an audit by KPMG of the Department of Contract and Management Services, the agency responsible for contract management. The report detected several key issues relating to contract risk

management. It stated that from an internal pool of 204 risk rateable projects across the directorates, only 129 had been rated - just over half; from a sample of 27 high and significant risk rate projects across the directorates, only seven had risk management plans developed - less than a third; and the report recommended that consideration should be given to extending the risk assessment model to incorporate a non-standard risk option to enable proper consideration of risks that do not necessarily fit into the existing model.

I will not refer to the other findings. However, it is hard to believe that the audit revealed that the agency responsible for the implementation of the Treasurer's Instruction of July 1997 and for contract management throughout this State is falling far short of the mark. I have grave concerns about what is happening with contracting out and with the lack of risk assessment and risk management. This budget has given me the opportunity to bring to the attention of the House a number of issues which concern me and which are hard otherwise to have placed on the agenda, which issues some members might find very boring. However, I assure the House that the implications of being caught in a binding lease arrangement for something as simple as a number of photocopiers can be financially draining for a range of public sector agencies. The worst part of that situation is that it does not look too sinister at first; however, on closer examination, it means that every dollar spent on a bad leasing deal is a dollar not spent on operational areas, a dollar not spent on health provisions and a dollar not spent on putting a policeman on the street.

Hon E.R.J. Dermer: Delivering essential services.

Hon LJILJANNA RAVLICH: I thank my learned colleague, Hon Ed Dermer. Every dollar spent on a bad leasing deal is a dollar not spent on delivering essential services. These issues become very important when viewed in that context.

HON G.T. GIFFARD (South Metropolitan) [9.43 pm]: Like my colleagues before me, I indicate my support of the Bill. However, in so doing, I shall make a number of comments about matters that particularly concern me. Hon Ljiljanna Ravlich raised concerns about the contracting-out agenda of this Government. I have similar concerns about the agenda of this Government relating to its placing work increasingly in the private sector and ridding itself of work traditionally performed by government. I will address areas that are of concern to me relating to the contracts that the Government has entered into with Corrections Corporation of Australia.

I am concerned about a number of aspects of those arrangements. In a nutshell my concerns could be categorised as covering three discrete areas: First, I am concerned about the industrial relations implications of arrangements that Corrections Corporation of Australia has entered into with its employees and the industrial relations that it intends to put in place for prospective employees; secondly, I am concerned about the financial position of CCA, which I shall briefly comment on; and, thirdly, I am concerned about the professional issues, for want of a better expression, of CCA's performance in running custodial services in Australia and, to a lesser extent, its parent company's performance in running similar services overseas. My approach to this debate has been to try to identify what the Government has told us about how the new court custody service and new privately run prison service will work, what the intention was and how we would all benefit from it. Based on that approach, I have considered what I know about the operations of CCA to try to line that up with what the Government has told us about how it will operate.

I first became aware of the industrial relations issues, particularly the conditions under which court custody officers are to be employed, a few weeks ago. I had the opportunity to examine what is, as I understand it, a pattern agreement; that is, an agreement that all employees have signed, which is a workplace agreement in the same form for all of them. It is a mean document, and the rates of pay that are allowed for in that document are low in comparison with those for people who have previously performed that service. Other conditions in addition to that are fairly rigid and authoritarian.

During the estimates committee week, I attempted to gain some insight into how some of the industrial relations arrangements worked. I was advised that the ministry did not know and that it was a matter for CCA, which was required to comply with all the relevant industrial laws, and that was it. No detail was forthcoming on what might happen. I went to CCA and raised my concern specifically on industrial issues. The CCA response was, "Well, it's a competitive world out there." I understand entirely what is meant. CCA has set at a very competitive level its rates of pay and conditions under which people will be employed. I was disturbed by that level. I have seen only the court custody service agreement, and I am not sure whether Acacia prison will be under a workplace or a union agreement. My understanding of the Government's assurances regarding the court custody officers was that they would be paid less than prison officers, although not gigantically less. This was in recognition of the fact that prison officers have a broader range of skills and are required to perform a wider range of tasks. We were assured that the Government wanted to move into this arrangement with the private custody services not so much to save money - there would not be any direct savings, but some would be achieved thorough efficiencies - but to make services better. Looking at that on face value, I would be comforted by those words. If that were the rationale for its decision, fine. However, the agreement that CCA has with its employees does not meet that intention at all.

I have identified 12 issues I shall briefly raise with the House by which this agreement will not inspire people who will perform a difficult job. Court custody work is difficult, is at times challenging and can be hazardous. Although I recognise that people performing that work will not be able to attract the pay of, say, police officers for reasons outlined - accepting the explanation of the Government - enthusiastic and diligent people will want to be court officers as a career if they are remunerated adequately and treated fairly and decently. The privatisation of this service should not be about saving money, but about improving the service.

The legislation is passed, so the Government had its way and we are moving to the privatisation of that service. Granted. The agreement contains a definition of "probationary employee training". Employees of the company are to be employed

as casuals for preservice training, but I do not understand why they are to be employed as casuals. The intention is that training be full time, not casual. If people are successful in their training, they will be offered ongoing employment. That is the arrangement as explained to me. That does not fit with calling someone a casual under current industrial laws, which provides the opportunity not to pay annual leave, sick pay, public holidays, etc. Such employees can be called in whenever wanted with minimum notice. The word "casual" in an industrial context has a particular consequence for employees nowadays which it did not have prior to the advent of the individual agreements regime. Prior to that the only statutory application of a casual worker was in industrial awards. Casual workers are described in industrial awards, whereas the Minimum Conditions of Employment Act has no definition of a casual worker. Casual workers can be given one hour's notice and a certain percentage of loading, but they do not get all the things that casuals normally get. The failing in that legislation is that it does not define what a casual worker is. Once they are defined as casuals, that is it. Even if they are employed for a couple of years they are still defined as casuals.

Similarly, another provision of the agreement relates to the disputes settling procedure. Under the Act which governs the agreement, employees who have any dispute or grievance that they wish to raise are required to deal with it in accordance with the procedure; they are not allowed to go outside that procedure. I have looked at the grievance dispute procedure. It is completely internal. At no stage does an individual employee who wishes to address a grievance have the opportunity to seek outside assistance; he could not, for example, heaven forbid, use union assistance in addressing his grievance. It is simply not available to casuals because they are required to comply strictly with the terms of the grievance procedure.

The wages and allowances provisions are set at a low rate. They are marginally above the Minimum Conditions of Employment Act regulations, which are set each year or year and a half. It is true that the minimum rates are set above those set out in the Act, although I am not sure whether the original agreement offered to employees was above the minimum rate; however, they are now and they have been registered. Interestingly, the provision in that agreement allows for wage rates to be subject to a yearly review by the employer. There is no provision for any wage increases. The expiry date on the agreement is 30 March 2004. The only way people will get a wage increase under this agreement is if the employer reviews it and decides that the employees can have a wage increase. I suspect that because the rates are so close to the Minimum Conditions of Employment Act, they will soon be overtaken by the legal minimum and, via the back door, workers might get a slight increase. However, they will get an increase only to keep them in step with the statutory minimum in this State.

Similarly, there are problems relating to ordinary hours of work. On my reading of this agreement, employees can be rostered to work a 12-hour shift and get paid the ordinary rate for working a 12-hour shift even though they normally work an 8-hour day. Ordinarily, workers under those circumstances would expect to be paid overtime loading because they have been asked to work a few extra hours, usually at short notice . This agreement has no provision for that. The only people who will get penalty loadings are those who work a continuous shift. It is interesting that there is no definition of a continuous shift in the agreement. Yesterday morning I obtained a copy of the company's handbook, and although there are references to this in the handbook, I am not sure whether there is a formal relationship relating to shift work. The handbook says that a seven-day shift is a continuous shift. Employees must work at least seven days in a row for 12 hours a day before they can be defined as working continuous shift work; only then will they get overtime loadings. If employees work only six days in a row, they are paid normal rates for the 12-hour shift. That is not generous. Frankly, it is not very fair. When I said earlier that, overall, the provisions in the agreement are mean, that is the sort of provision to which I was referring.

The ordinary hours of work under this agreement shall be 40 hours. There is no spread of work. Therefore, if the employer says that a person must start very early tomorrow morning, work eight hours and go home at midday or 2.00 pm, that is what the employee must do. The employer sets the hours because there is no spread of hours. Ordinarily, if workers are working under an award or an agreement, the award will say that people will not start before, say, six o'clock in the morning unless the employer pays them a loading because they have been asked to come in at five o'clock in the morning. Under this agreement, if people are called in at five o'clock in the morning, that is the way it goes, and that is when their eight-hour day starts. They might work a full 12-hour shift for that day, clock off and get 12 hours' pay. However, they do not get any compensation by way of penalty loading or overtime loading, even though they have had to make alternative arrangements for taking their children to school or picking them up from school, or they have had to change whatever other arrangements they have as part of their normal working lives. That is rigid, inflexible and, as I said, mean.

I have referred to the fact that there is no definition of casual employment in the Minimum Conditions of Employment Act, and there is no definition in the agreement. It is left silent. From my understanding of industrial law in this State, when a matter is left silent, that leaves it open ended, as I indicated earlier. A confidential information provision in the agreement reads -

> To protect the commercial interests of the company, employees shall comply with the attached company policy on confidentiality.

I am not sure how many employees sighted that policy when they were asked to sign the agreement. . My advice is that by the time they had started the training, most of the people had signed the agreement, but they had not seen the company policy on confidentiality. Therefore, they had signed a workplace agreement that related to some other agreement. The situation is similar with the handbook. They had signed it. It related to a company policy and to a handbook, but they were not available to those people at that time. That is not a proper way to conduct industrial relations management.

The agreement also deals with news media and people not being able to comment to the media or Press under any

circumstances regarding matters which may affect the operations of the company. It is interesting that the confidentiality provision talks about the company and not the prison or the court custody service for which the company is working. If the confidentiality provision referred to the court custody service or the prison, I would understand it a little better, because obviously we do not want people who are working in a prison to walk out the gate and to talk to the media about security arrangements in the prison or things like that. It is interesting that the agreement talks about the company. It seems less concerned about the service being provided and more concerned about the company. That is rather odd.

I will deal with public holidays. If people are rostered to work on a public holiday, they will receive the benefit of penalty provisions. The penalty is time and a half, I think. It may even be double time - I do not recall exactly. There are provisions in the agreement for people who work on a public holiday. However, there are no provisions for someone who is not rostered to work on a public holiday but who is called in. Therefore, if the roster which is on the board shows that next Monday a person will work on a public holiday, that is fine; he will get the penalty rates. However, if someone rings in sick, and another person receives a call from the boss to come to work, he will just be paid normal rates.

Hon E.R.J. Dermer: That is blatantly unfair.

Hon G.T. GIFFARD: It is very unfair. The problem I have with this agreement is that it contains large loopholes.

Hon Simon O'Brien: Are you saying that people who work overtime under this agreement do not get extra pay but get their flat rate?

Hon G.T. GIFFARD: There is no provision for it. Corrections Corporation of Australia might reflect on that as its workers become increasingly unhappy and make a decision. Unless an employee works a continuous shift of seven days or is rostered to work on a public holiday, the shift loadings provided in the company's handbook are not available as a matter of right. I am not saying the company will not do it. CCA might say it always intended that those employees would get the loadings.

Hon Simon O'Brien: That is a penalty rate for things like night shift and weekends. What about overtime?

Hon G.T. GIFFARD: I am referring to penalty rates and loadings; they are the same thing. In certain instances employees will receive loadings. We know from the experience in Victoria that CCA has had difficulties meeting its staffing rosters and ensuring that it has enough people working in its prisons at any set time. Those problems are documented. If CCA it has four or five employees in a section, and one or two of them ring in sick, an employee can be called in at short notice when the prison is short staffed. The company must find someone because it is under a contractual requirement to provide a certain number of staff at that facility. The company has to ring someone up and tell the person to come in. It says, "I know it's your day off but you have to come in." That is a problem under the employment agreement. It may be that CCA will say that it will treat those employees as though they were rostered on, in which case the workers will get what they should be paid. However, they will not get it as a matter of right but as an act-of-grace payment - if they get it at all. That is unfair. The provisions for casual employees and penalty rates have big gaps in them.

One of the conditions under which those people will work that is really unfair relates to relocation costs. We know that people will work in regional areas in the State; many people will be recruited from Perth and will be required to relocate to those regional areas. Nothing in the agreement provides any assistance to those workers to relocate themselves and their families to regional areas in which they have been offered work. Nothing in the Minimum Conditions of Employment Act entitles them to that. On the face of it I can see nothing that would entitle any worker living in Perth who takes up the opportunity of a job in the north or south of the State with CCA to any assistance, even though the only reason the person is moving is that he has been offered a position. These workers have no right to any assistance to relocate themselves, their families and their home. I am reminded of the explanation from CCA that it is a competitive world. Indeed it is. However, in fairness, the agreement and the conditions under which these people are being asked to work - even though I recognise all the arguments that these workers are not as qualified as police officers - is poor; the overall tenor of the agreement is mean and lousy. It will not be conducive to a diligent and conscientious work force. Under the agreement the workforce will not be a cherished or valued resource of the company. The workforce will be there to do its job and the company will pay the workers as little as possible. The simple message from my assessment of the agreement is that the pay is not good, the rules are rigid and this is life under the privatisation of this service, which is the primary responsibility of the State. I do not think the public of Western Australia is well served by this agreement or the industrial relations provisions that will apply.

The financial viability of the parent company seems to be reasonably well known. Fifty per cent of Corrections Corporation of Australia is owned by a French company called Sodexho, and the other 50 per cent is owned by Corrections Corporation of America, or a subsidiary of that. Corrections Corporation of America is experiencing financial difficulties and has recorded losses. Its share price dropped dramatically about 12 or 18 months ago after it attempted a restructure that was not well received by the market. Earlier this year, it was seeking to enter into an arrangement with a life insurance company to enable Corrections Corporation of America to inject $200m into its operations to ensure it continued to be viable. The Ministry of Justice assured me that it is "keeping a watching brief of that". It is a matter for concern that Corrections Corporation of America has not resolved its financial difficulties. It must be having some impact on the viability of Corrections Corporation of Australia, given that Corrections Corporation of America owns half the company. I put that on record as something about which I am concerned, like many people. Corrections Corporation of America may be able to resolve its difficulties and continue to trade and return to the strong position it was in just a few years ago. It is a matter of watch this space and see what happens.

Western Australian custodial services are about to embark on a new way of operating. This budget signals the beginning of the new court custody service and the establishment of the privately run Acacia prison, both of which will be run by Corrections Corporation of Australia. It is of paramount importance that Corrections Corporation of Australia gets it right. It is possible it will get it right and that it will not experience any more difficulties than would be expected from a new operation in a new jurisdiction, notwithstanding that it is owned by the largest private provider of prison services in the world. Some teething problems could emerge. It is possible that Corrections Corporation of Australia will achieve a good level of performance for its first year of operation; however, it is also possible that things may not go that well. I hope that is not the case, but I must express my concerns. I am obliged to say that we do not want to see a repeat of the difficulties Corrections Corporation of Australia is experiencing in Victoria.

It is claimed by CCA that it outperforms state-run prisons and puts them to shame. If the Government, the Attorney General or anyone else wanted to claim that that is a reference to the way CCA is running the women's prison in Victoria, I would need to disagree, because I am very concerned about the reports that have come out about the Metropolitan Women's Correctional Centre at Deer Park. Some of the allegations that have been made have been investigated and found to be, at least on the basis of the investigation, without foundation, but there are numerous sources of allegations and complaints about the operations of the Deer Park facility. Those issues relate to drug-taking, health and safety, security officers being assaulted, the management of prisoners, and inaccurate record-keeping. There is no doubt that there is conjecture about the veracity of some of these claims. However, there are lingering concerns, and those concerns are continuing to be expressed by people who are involved in this prison service.

To give members an example, CCA has conceded that since 1996, or over the time that it has been running the Deer Park facility, there have been 15 assaults against prison officers. The union that represents the workers in that facility has advised me that the correct number is not 15 but 35. That is a huge disparity, and it raises a question about the accuracy of the figures from the Deer Park facility. The figure of 35 is considerably different from the figure of 15, and that concerns me. The union has also advised me that it has recorded 80 instances in which it has had to treat prisoners with Narcan as a consequence of a drug overdose. The information that is coming out of the Deer Park facility is that there are problems with drugs and the management of that facility. Last month, a medical bag was left in a cell at the Deer Park prison and was lost; and when it was recovered, all the syringes and pills that had been in that bag were missing. For the past three weeks, two personnel from the security and emergency services group have been based at the Deer Park facility. That matter is subject to a monthly review by the minister, and those people will be based there indefinitely until the minister is satisfied that it is no longer necessary for those people to be based there.

The difficulties at the Deer Park facility go back to 1996 when the operations began. I am advised that in one incident on 28 April 1997, eight prisoners armed with planks of wood threatened to riot during a siege, and that situation was brought under control only when the security and emergency services group was brought in and tear gas was used to quell that situation.

Hon Peter Foss: That is interesting, because it was the government people who used the tear gas, and there was considerable criticism of them for doing that, as it was quite unnecessary. The principal criticism is that the women had tear gas used on them when they were in the back of a van and refused to come out. The government people tear gassed them. It was one of the bigger incidents which has been highly criticised across Australia. It was not CCA which did it; it was the Government.

Hon G.T. GIFFARD: Is the Attorney General talking about the 1997 incident?

Hon Peter Foss: Yes, that is the one. I happen to know about that incident. It was the government people who did it.

Hon G.T. GIFFARD: The security and emergency services group is not a government group.

Hon Peter Foss: The people who tear gassed the women in the back of the truck were from the Government. You had better find out your facts.

Hon G.T. GIFFARD: I will certainly investigate that, but that is not the advice I have received.

Hon Peter Foss: If you check, you will find that it was the Government which tear gassed them.

Hon G.T. GIFFARD: I am also aware that in the first year of operation, 20 per cent of the performance fee was deducted from CCA.

Hon Peter Foss: The interesting thing is that government people do not face that sort of problem. They can do all these things and often they do not even get in the news. When you have a contract lease, you find out about it and there are penalties. When things happen in government, there are no penalties and often there is no news.

Hon G.T. GIFFARD: On 11 March 1998 prisoners at the Deer Park prison staged a protest after their entitlement to monthly, all-day children's visits were cut. On that occasion, the all-day children's visits were cut because some prisoners previously had been found to be using drugs. As I understand it, there were allegations that drugs were being brought in through children's nappies and the like.

Hon Peter Foss: That is the standard method.

Hon G.T. GIFFARD: The solution that was employed was to ban the once a month, all-day children's visits. As a consequence, protest action occurred on 11 March 1998. On 11 September 1998 one inmate committed suicide, although I will not take that any further because I understand a coronial report is pending.

Hon Peter Foss: What about the other instances? Is that something you are criticising or supporting? If you are saying one moment that there are drugs in there and the next moment you are saying that they are taking drugs, is that a good thing or a bad thing?

Hon G.T. GIFFARD: I am saying that the actions by the management of the facility to prevent drugs coming into the prison led to protest action.

Hon Peter Foss: Of course it did. Every time you stop drugs coming into a prison, there is a protest. People do not like their access to drugs stopped. It happens in government prisons.

Hon G.T. GIFFARD: I am simply identifying continuing incidents that are occurring in this facility.

Hon Peter Foss: Yes. That is what prisons are all about. They deal with difficult people under difficult circumstances.

Hon E.R.J. Dermer: The Minister for Justice should keep quiet and listen.

Hon Peter Foss: If you pick any prison, you will see that that is what happens.

Hon G.T. GIFFARD: If the minister listens, my point ultimately will be where are we now with CCA in Victoria.

Hon Peter Foss: I would like to know where you are with government prisons, where the same thing happens.

Hon G.T. GIFFARD: There is a serious problem with CCA in Victoria.

Hon Peter Foss: Rubbish! None of those things sounds serious.

The PRESIDENT: The Attorney General will come to order! Hon Graham Giffard has the call, and I am happy to listen to him. In due course, if the Attorney General wants to respond, that will be his option.

Hon G.T. GIFFARD: On 1 April, three Deer Park prisoners overdosed on heroin and they had to be treated with Narcan. That brought to six the number of people who had been so treated in that three-week period. On 23 August 1999 tear gas was again used as a last resort. The security and emergency services group was called in during a nine-hour disturbance, and three staff were injured. On 17 October 1999 tear gas was again used on prisoners at the Deer Park facility after protests at overcrowding.

One of the problems at this facility which has emerged in recent times is the fire alarms being turned off. As I understand it, the metropolitan fire brigade is currently investigating allegations that the Deer Park prison fire alarm was disengaged so the fire alarm would not go through to the fire station in the event of a fire. The fire brigade was alerted to that when it was called out to the maximum security management unit.

Understaffing is also a problem. The Victorian WorkCover Authority has placed an order on CCA, which means it operates the only prison in Australia that has a mandatory minimum staffing level. The rest have their own agreed levels that they regulate themselves. The prison has also had six managers in the past three years. I have been advised by the union that the last one gave notice last Thursday at 11.00 pm. That was the manager's last day at work - he is now back in New Zealand.

The Victorian Government has also issued a number of material default notices to CCA in recent weeks. I have copies of media releases outlining the nature of the default notices issued in May. The notices require CCA to take immediate remedial action and, among other things, to undertake training of all corrections staff by 9 June. The default notices relate to an incident in which two uniformed police officers entered the facility while carrying firearms on 16 April. To make matters worse, the incident was not reported immediately. The second default notice related to two incidents: First, keys to the maximum security management section went missing and their disappearance was not discovered for 33 hours; and, second, five prisoners from the management section forced their way past security officers to reach an exercise yard for protected prisoners. These are serious matters. The second incident is potentially a very serious security breach.

The first material default notice, which was issued on or about 10 May, was the first such notice issued to Victoria's only privately-run maximum security women's prison. Another incident occurred on 2 February, when a representative of the Correctional Services Commissioner was allowed to enter the facility without being processed. Again, that is a breach of procedure and a matter of concern to those of us who are interested in security at these institutions.

Corrections Corporation of America, which is one of the parent companies of Corrections Corporation of Australia, has not been without its difficulties. In the 1970s, those now running Corrections Corporation of America were accused and found guilty of cruel and unusual treatment. I refer members to Hutto et al versus Finney et al, which concerned the Arkansas prison system. Some startling evidence was presented - the report sounds like something out of the movie *Cool Hand Luke*. I referred to the directors' structure of Corrections Corporation of America because on it is the same Mr Hutto who is a director of Corrections Corporation of America.

Hon N.D. Griffiths: What year was that decision?

Hon G.T. GIFFARD: The decision was made on 23 June 1978. That was before Corrections Corporation of America was formed, which was in 1986. I do not know what his official title was but he was in charge of the State's prisons. That is why his name was cited.

Some startling findings were made about how those people were treated. A series of court matters continued for about two

and a half years. Initially the prison gave certain undertakings in the District Court that it would not put people in solitary confinement indefinitely or feed them food called "grue". It also made a number of other undertakings. A couple of times the appeal court revisited the issue. Some years later the appeal court found that the undertakings had not been met and that the cruel and unusual punishment was continuing.

If that were the only blot on the landscape of Corrections Corporation of America I would say that that was in the 1970s and people have learnt that they cannot do that sort of thing today. However, a number of cases have been reported in relation to the Northeast Ohio Correctional Centre at Youngstown in America, including a class action which was settled in March 1999 by almost 2 000 inmates. Quite serious allegations were made alleging mistreatment and, for example, mixing maximum and minimum security prisoners. Those allegations resulted in findings of serious breaches of those operational procedures. Similarly, in the United Kingdom, UK Detention Services Pty Ltd has the same ownership structure as Corrections Corporation of Australia. It was the first private operator to be penalised by the UK Government, to the tune of £41 000, after losing control of the Blankenhurst Prison during a disturbance in February 1994. I could refer to a number of other reported incidents. However, these incidents paint a picture for all of us that reminds us to be mindful of these new ventures into which we are entering.

Most of the issues I have identified can be attributed to the driving force of the need to generate profit by cutting staff costs, costs for medical services as has been reported in America and costs for security arrangements. Certainly private prisons are driven to generate profits and returns to shareholders. I sincerely hope that the problems experienced closer to home in Victoria are not repeated in Western Australia. However, the Government decided it wanted to privatise the prison service and the court custody service and that it would award the contract to Corrections Corporation of Australia to provide those services. I hope the Government has got it right and has made the right choice from all the providers of these services who were available. The purpose of my contribution to the debate tonight is to tell the Government I am fearful that it may well have got it wrong, and it may live to rue the day it awarded these contracts to Corrections Corporation of Australia. I hope I am wrong and that the company will meet the standards set by the Government's rhetoric. If the company does meet those standards, the House will hear little more from me on this subject; however, if it does not, the Government will hear from me and many others about the standards it is setting in the court custody service and in the prisons.

HON CHERYL DAVENPORT (South Metropolitan) [10.36 pm]: I also rise in this budget debate to support the Bill and to raise some issues of which I want members to be aware. The first is a matter I have raised in this House on a number of occasions over the years; that is, the home and community care program and its inadequacies in relation to seniors. I shall also raise an issue in which I have been closely involved over the past two and a half years, and which culminated in a coronial inquiry which delivered its findings in April of this year. Following that, I shall raise some issues of which I have become aware, involving short-term inadequacies in the Disability Services Commission in relation to the adopt-a-pollie scheme. Many members in both Chambers have been actively involved in that scheme over the past couple of years.

As the Labor Party's shadow spokesperson on Seniors, I begin my contribution this evening by noting that in the budget speech delivered in this House on 11 May, not once was the word "seniors" mentioned. I find that interesting, given that in the next 10 to 15 years the population of seniors in this State is set to rise from its current position of 14 per cent of the general population to approximately 23 per cent. With an election in the offing, a budget that does not adequately begin to plan for the explosion in that section of the population who will be 60 years of age and older in the following 20 years, is indicative of a Government that is ignoring a large section of the population.

I highlight that by referring members to page 543 of the *Budget Statements*, relating to Family and Children's Services, which department now deals also with the Office of Seniors Interests. I draw the attention of members to the fact that in the budget year 1998-99 there was an allocated output of $3.205m. In 1999-2000 that increased to $4.938m, and the increase was effectively to deal with the United Nations celebration of the International Year of Older Persons. It was also for setting up additional funding to create a centre for positive ageing, and I congratulate the Government for that initiative. However, the allocated budget for the current year 2000-01 of $3.037m is less than the 1998-99 budget figure. That is not much budgeted money for the growing Western Australian seniors population. That concerns me and I am disappointed that the Government has not seen fit to continue what it began in the International Year of Older Persons 1999 by recognising the contribution that seniors make to our community. The next five years of planning for the population bulge will be critical. As a State, we have a window of opportunity and if we do not embark on that planning process now we will do our seniors - and many members in this House who will be seniors by 2020 - a big disservice in addition to the rest of the population.

Seniors have been forgotten by not only the Western Australian state budget but also the federal budget which was delivered in the same week as our budget. My federal colleague, the shadow minister for Family and Children's Services, pointed out that the federal budget may have forgotten seniors but the goods and services tax will not forget them. I shall be interested, having predicted the impact of the GST on senior citizens, to see what occurs after the implementation of the GST in another couple of weeks. Many members will have many people, particularly senior members of the community, beating a path to their doors, telling them just how much the new tax has impacted on their lifestyle.

I will refer to a number of matters that I raised during the Standing Committee on Estimates and Financial Operations, relating to the home and community care program. I expected to see mention of this matter in the report tabled in the House earlier this evening. Unfortunately, other than a list of the number of questions raised, not much analysis has been done. I am still waiting for answers to a number of questions I asked. One matter I raised during the estimates hearing, particularly relating to the home and community care budget line in the Health budget, is the fact that some 295 agencies provide services throughout the State to enable our seniors to remain in their own homes. This both relieves carers and

prevents seniors from having to enter institutional care early. One increasingly obvious aspect is that not enough growth money is provided in the budget to ensure that the growing number of people can remain in their own homes. Access to home and community care services appears to have changed from the original guidelines for those services. Service providers are now saying that people should access the service for low level amounts of care; that is, two to three hours a week. People currently on waiting lists for HACC services find that, unless they are in crisis, they are unable to access the program.

From my knowledge of the program over the past 15 years, this is not the reason the service was created. We need some kind of short-term pool of money for people in a crisis who have come out of hospital, so that rather than their accessing the home and community care program, they can obtain services elsewhere. I believe that in Victoria, for example, an allocation is made for acute care after a person's discharge from hospital. Home and community care providers provide the service but it is funded from a different budget allocation to ensure that those people are able to stay in their own homes. In Western Australia presently, those people who need that acute-care service are in effect taking that service away from people who require more of a short-term service provision to keep them in their own homes. I do not know quite how we go about dealing with the whole question of the commonwealth-state program, which has been operating for some 15 years. I would not suggest that we discontinue it because it does a very fine job and certainly costs much less to provide a much better quality of life for people and allow them to remain in their own homes. We need to rethink how we go about defraying the impact of the higher levels of care that are necessary to keep people in their own homes as opposed to the fact that people needing a lower level of care are not currently able to access the care.

Another area of concern, which I raised during the estimates committee hearings, is that for a number of years we have been anticipating a state carers strategy. As I have said in this place before, billions of dollars are saved because of the work of informal carers in this State and across the nation. It was estimated about 12 months ago that something like $16b is saved through informal care that enables people to stay in their own homes rather than having to be provided for in institutional care. That important part of the contribution is in many cases provided by volunteer services and by families who look after their loved ones. Many people see that as their role in a relationship, whether it be caring for a husband, wife, child or whoever. However, we must come up with a means by which we can relieve the burden on the carers, so that carers are able to continue in that role for a much longer time. Although I am assured that discussions on this strategy are taking place - I asked a question at the 1999-2000 estimates hearings and was assured the strategy was in the pipeline - we are now some 12 months down the track and the strategy still has not emerged. I am very keen to know the result, as are people in the home-care sector who are trying to find scarce resources to provide that kind of care so that carers can rest assured that respite care is available for their loved one and that it is of a quality that relieves their mind. I still await an answer to that question.

I also raise another subject causing concerns in the HACC sector; that is, the fact that many volunteers providing driving skills will be required to have an F-class drivers licence under this regime, whether or not they drive a bus. Most people who drive a bus have such a licence, but this requirement will apply to people who drive an ordinary vehicle. People aged over 60 years will be required to have an F-class drivers licence and to sit a test every six months. People aged 45 to 60 years will be required to undertake a bi-annual licence check. A concern for many of the agencies is the great deterrent effect of this on people offering services as volunteer drivers. I raised that question with the Health Department during the estimates committee hearings, so it is aware of the problem. However, I am not sure how it will alleviate that problem of potential volunteer loss, which is a great concern to the sector in general. Many volunteer service providers in the community are aged 55 years or older. We cannot deter that pool of volunteers, which is an important part of service provision for many non-government service organisations. It is another area of grave concern. I still have not received an answer from the estimates process in that regard.

I raise yet again the extra administrative load that service providers have had to carry through the implementation of the compulsory fee-for-service introduced on 1 July last year for the home and community care sector. From what we can determine, the Government's estimated extra funding that the compulsory fee was supposed to raise has not come to pass. In fact the informal donation sources were raising more. The agencies with which I am involved find that administration costs in accounting for each hour and charging for it separately are cumbersome. My agency under the informal structure had a flat fee rate. We now find that the extra accounting required is a drain on administrator funding, the net effect of which takes way the ability of agencies to provide direct service provision. We might be bringing in a few dollars extra in fees, but we are depriving consumers of that service because those fees have been eaten up in administrative costs. The need to qualify for a national accreditation process has also been imposed on services across the board in the past six months; it must be put in place over the next three years. No extra funding has been provided to administer that either. It is a good process because the quality of services being delivered needs to be standardised; that can be achieved through a national accreditation system. Having said that, it is another burden of administrative costs that the agencies must bear without receiving any extra funding from the Commonwealth or State Governments that have asked for the program to be implemented. I have described a range of issues with which agencies are having to grapple. Due to the inadequacy of funding provisions, consumers are being deprived of services.

I am told, but have been unable to verify it, that an extra $2m in non-recurrent funding for capital expenditure as well as an extra $2m in recurrent funding has created new services or is just providing extra hours to providers around the State to help with the demand that exists. I am aware that most agencies have waiting lists. In April, my own agency had 32 people on the waiting list for services in Victoria Park, St James, Lathlain and Carlisle. It is an area with a high population of people aged 60-plus. The population growth of people aged 80-plus in that region is also extremely high. Therefore, we could expect the demand to increase rather than reduce because of the age of the people who live in that area. The

increase for my agency for the next 12 months is expected to be an extra 500 hours of home help, which means we will have an extra 500 hours to help people clean their homes; that equates to $6 500 in monetary terms. That is not a lot in an incredibly high-demand area and it is making itself well and truly felt.

The other area of concern is the ability under the home and community care program to provide in-house respite which enables carers to have some quality time to themselves. A big allocation of respite has been provided for people to receive care in day-care centres; however, the ability to have a carer come into a home and care for a loved one and allow a family member to get out of the house and have time out for personal things is an area that is lacking. It is always the last thing for which agencies provide money. That is an area that we should think about in the future in the context of providing funds for that purpose. There should be the ability to care for somebody on a short-term basis, perhaps in a couple of weekly or fortnightly slabs of time, without that care being in a nursing home. Seniors who are in need of care are very concerned at the thought of going into a nursing home because they think they may never leave it. That is of great concern to their carers as well.

Debate adjourned, pursuant to standing orders.

House adjourned at 11.00 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

GOVERNMENT DEPARTMENTS AND AGENCIES, RELOCATION OF OFFICES FROM CARNARVON

1990. Hon TOM STEPHENS to the Leader of the House representing the Minister for Commerce and Trade:

(1) Have any Agencies under the Minister for Commerce and Trade's control relocated their offices from Carnarvon to other major town centres since 1993?

(2) If yes, which agency has relocated?

(3) To which town has the agency relocated?

(4) What was the cost of the relocation?

(5) What was the basis for the decision to relocate?

Hon N.F. MOORE replied:

(1) No

(2)-(5) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, LEASES FOR PHOTOCOPIERS AND FACSIMILE MACHINES

2043. Hon LJILJANNA RAVLICH to the Attorney General:

For each agency under the Attorney General's control -

(1) Does the agency have contracts to lease photocopiers or facsimile machines under any of the following volume based agreements -

(a) Ricoh - Blue-chip;
(b) Konica - Fivestar;
(c) Toshiba - Platinum; or
(d) Abacus - Copyclub?

(2) If yes, how many photocopiers or facsimile machines does the agency have?

(3) With which organization does it have a contract?

(4) When did the agency enter into this contract?

(5) What has been the total cost of each contract to date?

(6) When is the contract due to expire?

Hon PETER FOSS replied:

Ministry of Justice
(1) Yes.
(2) 1.
(3) Ricoh Office Automation Pty Ltd.
(4) 26 May 1997.
(5) $15,523.
(6) 26 May 2002.

Solicitor General

The Solicitor General's Chambers has no contracts to lease photocopiers or facsimile machines.

Director of Public Prosecution
(1) No.
(2)-(6) Not applicable.

Office of the Information Commissioner
Nil

Legal Aid
(1) No.
(2)-(6) Not applicable.

Equal Opportunity Commissioner
(1) No.
(2)-(6) Not applicable.

Crown Solicitor's Office
(1)-(6) Nil.

Law Reform Commission
(1) No.
(2)-(6) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, LEASES FOR PHOTOCOPIERS AND FACSIMILE MACHINES

2044. Hon LJILJANNA RAVLICH to the Minister for Justice:

For each agency under the Minister's control -

(1) Does the agency have contracts to lease photocopiers or facsimile machines under any of the following volume based agreements -

(a) Ricoh - Blue-chip;
(b) Konica - Fivestar;
(c) Toshiba - Platinum; or
(d) Abacus - Copyclub?

(2) If yes, how many photocopiers or facsimile machines does the agency have?

(3) With which organization does it have a contract?

(4) When did the agency enter into this contract?

(5) What has been the total cost of each contract to date?

(6) When is the contract due to expire?

Hon PETER FOSS replied:

I refer the member to my answer given to question on notice 2043.

GOVERNMENT DEPARTMENTS AND AGENCIES, LEASES FOR PHOTOCOPIERS AND FACSIMILE MACHINES

2062. Hon LJILJANNA RAVLICH to the Minister for Transport representing the Minister for Local Government:

For each agency under the Minister for Local Government's control -

(1) Does the agency have contracts to lease photocopiers or facsimile machines under any of the following volume based agreements -

(a) Ricoh - Blue-chip;
(b) Konica - Fivestar;
(c) Toshiba - Platinum; or
(d) Abacus - Copyclub?

(2) If yes, how many photocopiers or facsimile machines does the agency have?

(3) With which organization does it have a contract?

(4) When did the agency enter into this contract?

(5) What has been the total cost of each contract to date?

(6) When is the contract due to expire?

Hon M.J. CRIDDLE replied:

DEPARTMENT OF LOCAL GOVERNMENT
(1) (a)-(d) No.
(2)-(6) Not applicable.

KEEP AUSTRALIA BEAUTIFUL COUNCIL
(1) (a)-(d) No.
(2)-(6) Not applicable.

METROPOLITAN CEMETERIES BOARD
(1) (a)-(d) No.
(2)-(6) Not applicable.

FREMANTLE CEMETERY BOARD
(1) No.
(2)-(6) Not applicable.

GASCOYNE-MURCHISON STRATEGY, EXPENDITURE

2139. Hon KIM CHANCE to the Minister for Transport representing the Minister for Primary Industry:

(1) How much of the $40m that is to be spent through the Gascoyne-Murchison Strategy has been spent to date?

(2) Will the Minister for Primary Industry table details of the expenditure to date under this funding program?

Hon M.J. CRIDDLE replied:

(1) The expenditure to date on the Gascoyne-Murchison Strategy is $13.5m. This is comprised of $8.3m in cash and $5.2m in-kind contributions.

(2) The expenditure to date by each agency is attached as per Appendix 1.

APPENDIX 1

GASCOYNE MURCHISON STRATEGY

Expenditure Report July 1997 to May 2000

	1997-98 Expenditure $	1998-99 Expenditure $	1999-2000 Expenditure $	Project Total $
Agriculture Western Australia	0	1 242 879	1 357 026	2 599 905
Aboriginal Affairs Department	23 200	9 200	14 200	46 600
Conservation and Land Management	5 000	2 176 052	1 323 119	3 504 171
Commerce & Trade	0	5 500	5 500	11 000
Department of Land Administration	0	0	2 395	2 395
Gascoyne Development Commission	0	2 375	74 400	76 775
Mid West Development Commission	825	3 667	6 107	10 599
Fisheries Western Australia	12 000	12 000	12 000	36 000
Water and Rivers Commission	0	85 252	621 608	706 860
Community contributions	0	412 089	869 959	1 282 048
Subtotal Actual Expenditure	**41 025**	**3 949 014**	**4 286 314**	**8 276 353**
In kind contributions				
Agriculture Western Australia	1 593 000	1 626 000	1 601 000	4 820 000
Conservation and Land Management	15 000	150 000	138 000	303 000
Fisheries Western Australia	20 000	20 000	20 000	60 000
Mid West Development Commission	435	2 290	2 974	5 699
Total In kind contributions	**1 628 435**	**1 798 290**	**1 761 974**	**5 188 699**
Total Expenditure	**1 669 460**	**5 747 304**	**6 048 288**	**13 465 052**
Funding Source				
State Consolidated Fund	41 025	931 116	1 029 054	2 001 195
RAFCOR	0	673 570	1 014 028	1 687 598
NHT	0	1 921 509	1 372 231	3 293 740
Industry	0	10 730	1 042	11 772
Community Contributions	0	412 089	869 959	1 282 048
Total Actual Expenditure	**41 025**	**3 949 014**	**4 286 314**	**8 276 353**
In kind contributions				
State Consolidated Fund	1 048 435	1 198 290	1 161 974	3 408 699
RAFCOR	580 000	600 000	600 000	1 780 000
Total In kind contributions	**1 628 435**	**1 798 290**	**1 761 974**	**5 188 699**
Total Expenditure Actual/In kind	**1 669 460**	**5 747 304**	**6 048 288**	**13 465 052**

CARNARVON, SOIL REPLACEMENT PROGRAM

2144. Hon TOM STEPHENS to the Minister for Transport representing the Minister for Primary Industry:

(1) What has been the cost to the Government so far of the soil replacement program in Carnarvon following the recent floods?

(2) What is the breakdown of those costs?

(3) What is the actual cost to the Government for -

(a) the purchase of soil; and
(b) trucking of soil per unit?

(4) Which companies have been engaged to truck soil?

(5) What is the per unit cost of trucking soil to each of these companies?

(6) What has been the total cost paid to each of these companies to this point?

Hon M.J. CRIDDLE replied:

(1) As of 30 May, payments on behalf of the Carnarvon Farm Recovery Scheme total $777,522.

(2) The breakdown of these payments is as follows -

tip trucks	$271,502
pit loaders & road graders	$94,725
loaders/ bobcats (on plantations)	$160,576
carry graders	$153,900
bulldozers	$7,165
other expenditure	$89,654

(3) (a) Nil.
(b) $2.79 per loose cubic metre.

(4) See (6) below.

(5) The unit cost of trucking soil by each of these companies is not available.

6) Total value of payments to each contract to 30 may 2000 is:

		$
U2 Bobcat & Tip Truck hire		12,905
Morris Heyhoe & Richards		7,720
Della Bella & Sons		1,917
Fascine Electrics		67
Sweet Crete		115,332
McGowans Transport		41,835
Rob Bellotti		19,713
LW & LJ Ladhams		44,130
JAG Earthmoving		49,630
G & L Bobcat Hire		5,770
Hosking Land Improvement		153,900
BA Hammersley & Son		103,824
P & C McGowan	15,300	
Cargers Concrete Service		3,520
Kalbari Concrete Supply		18,870
Robert Della Bella		9,150
Leanne Holdings		47,180
P&D Truck Hire		17,565
L Della Bella		9,278
Rotary Club Carnarvon		10,000
Gascoyne Sand & Gravel Supplies		7,287
GE & JE Morris		8,610
Ivey Enterprises		14,310
Dirt N Dingoes		113
We'll Do It		875
Deans Dingo Service & Truck Hire	8,792	
Roy Bellotti		5,915
Compave		440
Carnarvon Horticultural Services		23,174
BJ Sothers		20,400
Total		777,522

CARNARVON, SOIL REPLACEMENT PROGRAM

2145. Hon TOM STEPHENS to the Minister for Transport representing the Minister for Primary Industry:

In reference to the five pits from which soil is being sourced for the Carnarvon soil replacement program. I understand two are on Crown Land and two are on Brickhouse station.

(1) What is the location for the fifth pit from which soil is being sourced for the Carnarvon soil replacement program?

(2) When was a decision made to acquire the soil from this source?

(3) Who owned that site when the decision was made?

(4) Who owns that site now?

(5) How much soil has been purchased from that source to this point?

(6) What has been the total cost to taxpayers for the soil so far purchased from this site?

Hon M.J. CRIDDLE replied:

(1) The Carnarvon Farm Recovery Committee advised that soil for the Carnarvon Farm Recovery Scheme is being taken from 5 pits. Two pits are on Brickhouse Station and the other three are on Crown land, as described in the Carnarvon Urban Area Street Directory, dated February 1998 as:

Reserve 35997 (noted on the plan for "Government requirements – Flood prone area")

Reserve 39392 (noted on the plan for "Flood Control") and

Reserve 21089 Location 98 (noted on the plan as "reserved as a Quarry").

(2) The decision to use these pits was made during the period 18-25 March 2000 following recommendations from an AGWEST Soil Scientist that the pits were appropriate for agricultural use.

(3)-(4) All sites are Crown Land, but 2 are subject to pastoral lease.

(5) No soil from these pits has been purchased.

(6) Not applicable.

EMERGENCY PLANS FOR REGIONAL TOWNS, DEPARTMENT RESPONSIBLE

2167. Hon TOM STEPHENS to the Attorney General representing the Minister for Emergency Services:

(1) Which is the lead department or agency with responsibility for maintaining up to date, current local emergency plans for regional towns and centres?

(2) Which agency has responsibility for ensuring that the local emergency plan has an evacuation/welfare centre that is available to local communities in the event of an emergency?

Hon PETER FOSS replied:

(1) Under the State Emergency Management Advisory Committee Policy No. 7 responsibility for maintaining up to date, current Local Emergency plans for regional towns and centres is vested in the individual Local Emergency Management Advisory Committees. These committees are chaired by the Shire President/Town or City Mayor (or nominee), and are responsible for the preparation of local emergency management plans for their respective communities. The Local Emergency Coordinator, who is the Officer in Charge of the Police sub-district, has the responsibility for ensuring that local plans are prepared, promulgated, tested and maintained.

(2) Department of Family and Children's Services is the agency responsible for the provision of the welfare support function.

DEATHS IN CUSTODY, OMBUDSMAN'S REPORT

2172. Hon GIZ WATSON to the Attorney General:

With reference to a previous undertaking by the State Ombudsman to investigate and report on (a) the rate of deaths in custody in Western Australia, (b) the level of Government implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody, and (c) the levels of Government instrumentalities implementation of recommendations emanating from the bench of the Coroner directed at custodial care and mitigating against deaths in custody.

(1) Has the State Ombudsman completed such a report?

(2) If yes to (1), when will the report be tabled?

(3) If no to (1), does the State Ombudsman expect to complete such a report?

(4) If yes to (3), when will the report be completed?

(5) If no to (3), for what reason/s will such a report not be completed?

(6) If yes to (3), when will the report be tabled?

(7) What resources have been applied by the State Ombudsman to investigating and reporting this matter?

(8) Are the resources applied by the State Ombudsman to this matter sufficient to allow full investigation and reporting?

(9) If no to (7), has the State Ombudsman applied for sufficient resources to fully investigate and report on this matter?

(10) If no to (8), will the Attorney General give an undertaking that sufficient resources will be supplied and applied to the full investigation and reporting on this matter?

Hon PETER FOSS replied:

As the member will be aware, the Office of the Ombudsman does not fall within my portfolio responsibilities and for this reason I am unable to provide a direct response to her question. However, I am informed that evidence given by the Ombudsman to the Legislative Assembly Estimates Committee on 30 May 2000 (see pages E14 – E 16 of Hansard) is relevant to her inquiry. The Ombudsman has advised that he would be pleased to provide additional information to the member should she contact him directly.

TAFE COLLEGES, COSTS

2179. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Employment and Training:

(1) For each of the TAFE Colleges under the Minister for Employment and Training's control, what are the following costs for 1999/2000 in relation to -

(a) lecturing staff;
(b) administrative staff;
(c) administration excluding administrative staff costs?

(2) What is the number of annual student contact hours for each TAFE College?

(3) What is the total annual teaching hours for each TAFE College?

(4) What is the average teacher costs per teaching hour for each TAFE College?

Hon N.F. MOORE replied:

(1) In providing a response for questions 1(a) to 1(c) it is essential to fully define the terminology requested, namely lecturing staff, administrative staff and administrative expenses minus staff costs. Below is a brief definition and list of expenses included in each of the reporting categories used in responding to this question. The answers to questions 1(a) to 1(c) have been tabled below and are provided for the 1999 academic year. TAFE Colleges do not operate on a financial year basis.

Operating Expenses by Activity

Delivery Provision and Support Activity
Activities for directly delivering training and also for supporting the delivery or development of training.

Expenses included are:
- salaries, wages and oncosts for teachers and tutors including supervisory teaching staff, Heads of Departments and Schools;
- salaries, wages and oncosts for learning area, classroom and teaching support roles eg librarians, program coordinators and technical and educational assistants;
- materials, equipment and consumables specifically for the delivery of training;
- curriculum development for major curriculum projects;
- course accreditation;
- library expenses including all library resource material such as textbooks, periodicals, audio visuals, day to day operating expenses of libraries and the purchasing and distribution function; and
- rental, leasing and depreciation expenses (refer comments above for depreciation).

Administration and General Services Activity
Activities for general management and administration at College, Institute and State Office locations.

Expenses include:
- corporate services expenses for accounting, financial and clerical functions, policy and planning, information technology, internal audit, human resource management, staff development, marketing, secretariat and central communication services;
- prizes and awards;
- examination supervision;
- student administration;
- expenses of recognition of training and training providers, regulatory activities and advisory and consultative arrangements which are mainly incurred within State/Territory training authorities; and
- rental, leasing and depreciation expenses (refer comments above for depreciation).

Note: where administration staff are employed to directly support teaching or learning areas then their expenses should be allocated to the Delivery Provision and Support activity.

Property, Plant & Equipment Services Activity
Activities of operating, repairing and maintaining buildings, grounds and equipment and of purchasing non-capitalised plant and equipment that are not specifically for training delivery.

Expenses include:
- wages etc., of ancillary grounds and building services staff;
- costs of contracted maintenance and security personnel;
- repairs and maintenance of equipment and facilities including repairs and maintenance of computer software and hardware;

utilities costs of facilities; and
expenses for asset management, project planning and project management of major capital works.

Student and Other Services Activity
Activities in providing services to students outside of formal teaching including those associated with and supporting the welfare of students and other activities not defined above.
Student Services expenses include:
expenses of services provided for students such as counselling, disabilities, health services, employment services, child care, accommodation services, student amenities and student associations; and
depreciation expenses (refer comments above for depreciation).

Other Services expenses include:
as a general rule this activity might be used where funds are expended on an activity that has no immediate or perceived outcome benefits to the Training Organisation incurring the expense eg., redundancies, research and development expenses, commercial operations, specialist consulting and paid staff released to industry.

Note: A supporting note detailing material items in this category is included in the notes to the financial statements.

(1) (a)-(c)

	Total delivery provision and support activity	Salary Component of delivery provision and support activity	Total administration costs	Salary component of administration costs
	$	$	$	$
Eastern Pilbara College of TAFE (including Pundulmurra)	7 778 528	5 635 995	6 960 274	3 484 449
Central Metropolitan College of TAFE (including AMTC)	48 465 617	37 612 448	20 333 798	9 806 444
Great Southern Regional College	6 073 232	4 690 345	4 790 582	2 579 579
Karratha College of TAFE	4 643 808	3 291 150	4 703 887	2 317 221
Kimberley Regional College of TAFE	2 582 499	1 994 120	1 824 564	711 485
West Coast College of TAFE	35 759 311	26 512 516	10 761 151	5 564 944
South West Regional College of TAFE	13 582 149	8 282 665	4 543 627	3 740 373
CY O'Connor College of TAFE	5 527 776	3 808 752	2 694 377	1 408 717
Central West Regional College of TAFE	9 252 169	6 343 218	4 508 156	2 136 818
Midland College of TAFE	13 829 959	10 155 202	5 542 091	2 648 563
South East Metropolitan College of TAFE	28 147 721	21 085 442	12 281 766	5 671 098
South Metropolitan College of TAFE	28 445 036	22 158 534	16 613 673	8 815 158
	204 087 805	151 571 3 87	95 557 946	48 884 849

*Administration costs are all other costs and consists of -
Administration and general services activity
Student and other services activity; and
Property, plant and equipment services activity.

(2) Annual student contact hours for 1999 are as follows:

Central TAFE	6 859 078
West Coast College of TAFE	4 387 259
South East Metropolitan College of TAFE	3 577 354
South Metropolitan College of TAFE	3 542 784
Midland College of TAFE	1 774 549
South West Regional College of TAFE	1 653 796
Great Southern Regional College of TAFE	983 320
Central West Regional College of TAFE	925 088
Eastern Pilbara College of TAFE	496 434
C Y O'Connor College of TAFE	533 368
Karratha College of TAFE	288 797
Kimberley College	364 131

In determining student contact hours the following figures include data related to all funding sources for delivery and therefore includes Adult Community Education (ACE) delivery hours. Also included are all enrolments that consume lecturing staff resources such as students continuing study from a previous year and examination only students.

(3) The primary statistical reporting framework for TAFE College data is the AVETMISS collection, which includes information on student enrolments collected on a calendar year basis, under the national AVETMIS Standard. The AVETMIS Standard does not specify any data on Teaching Hours. There are no standardised procedures for recording actual Teaching Hours across TAFE Colleges and no central record of actual Teaching Hours is kept. However, the Department's funding model, incorporates a notional funding allocation of Teaching Hours, based on the expected (planned) Profile funded delivery for each TAFE College, on a calendar year basis. Teaching Hours for the purposes of TAFE College funding are defined as the hours a lecturer is engaged in lecturing duties

eg the lecturing hours spent in a classroom. For full-time lecturers employed under the TAFE Colleges Certified Agreement, this funding is based on an average of 23 Teaching Hours per week, even though lecturers are employed for a 37.5 hour week. The notional funded Teaching Hours for each TAFE College's profile for calendar year 2000, is shown in the table below. Note that this does not include Teaching Hours funded through non-profile activities.

(4) On the basis of the above question 3, the table below represents the average notional funding per Teaching Hour for each TAFE College for calendar year 2000. The average notional funding per Teaching Hour is based on the funded average annual salary expressed in terms of the funded annual Teaching Hours, where;

the funded average annual salary includes salary related on-costs such as Long Service Leave, Sick Leave, Payroll Tax etc. Note that for the Western Australian Academy of Performing Arts and Curtin University – Kalgoorlie Campus, the salary related on-costs also include superannuation contributions of 17% and 9% respectively;

the funded annual Teaching Hours for lecturers employed under the TAFE Lecturers Certified Agreement is based on the average weekly Teaching Hours (23) multiplied by the number of teaching weeks per year (40) ie 920 Teaching Hours per annum. Note that for the Western Australian Academy of Performing Arts and Curtin University – Kalgoorlie Campus, the funded annual Teaching Hours per lecturer are 623 and 800 respectively.

Note: Loadings associated with remote colleges (north of 26 parallel) are included in the average funding per Teaching Hour.

COLLEGE	ANNUAL TEACHING HOURS	AVERAGE FUNDING PER TEACHING HOURS
Central Metropolitan College of TAFE`	365 346	$60.10
Central West College of TAFE	72 517	$58.22
CY O'Connor College of TAFE	52 006	$47.56
Great Southern Regional College	64 493	$54.28
Eastern Pilbara College of TAFE	56 345	$67.41
Curtin University – Kalgoorlie Campus	45 045	$58.51
Karratha College	29 468	$67.41
Kimberley Regional College of TAFE	40 766	$61.22
Midland College of TAFE	102 327	$59.82
South East Metropolitan College of TAFE	205 892	$58.53
South Metropolitan College of TAFE	213 222	$60.37
South West Regional College of TAFE	116 651	$56.01
WA Academy of Performing Arts	44 818	$88.08
West Coast College of TAFE	194 473	$60.81

*As CY O'Connor College is an institution under the auspices of the Department of Training and Employment, payroll tax is not included as salary related on-cost.

QUESTIONS WITHOUT NOTICE

RAILWAYS, LAND FOR NORTHERN EXTENSION

1264. Hon TOM STEPHENS to the Minister for Transport:

I refer to the Government's admission yesterday that it has not yet purchased the land on which the northern suburbs rail extension - which the minister announced yet again today - will be built.

(1) Who owns the land that is yet to be purchased, which is said to be 204 hectares?

(2) Why four years after the minister made the commitment to extend the rail line has he not acquired ownership of that land?

(3) What moneys have been budgeted for this land acquisition, and where are those budget details to be found?

Hon M.J. CRIDDLE replied:

(1)-(3) The process by which the land is to be acquired will require a reserves Bill to pass through the House. We can then undertake the acquisition process. We are in the process of organising the funding for the purchase of that land. When that funding arrangement is put in place, we will have a very good result for people in the northern suburbs. You would be aware, Mr President, that we announced today that the master plan is available so people can be made aware of the situation. The entire development will be in place by 2003. There will be a requirement to build another 12 railcars to satisfy the demand in that area. The people in the area today, including Hon Ken Travers, would appreciate the local environment and people's requirement for the construction of the rail line.

Hon Tom Stephens: Who owns the land?

Hon M.J. CRIDDLE: If the Leader of the Opposition wants the exact information, I will provide a detailed answer. I have given answers to the member when he sought specific information in the past. I will do so when I am able to outline the detail.

Hon Tom Stephens: Why have you not bought the land yet?

Hon M.J. CRIDDLE: I said we are undertaking a process which must come before Parliament.

Hon N.F. Moore: He does not listen or understand.

Hon M.J. CRIDDLE: That is the other issue, as the Leader of the Opposition needs to understand the processes involved. I hope he will accommodate a speedy passage through the House of the necessary legislation.

NATIVE TITLE, NEW POLICY ON MINING AND LAND TITLES

1265. Hon TOM STEPHENS to the Minister for Mines:

I refer to the minister's answer to question on notice 1036.

(1) Will the minister table any policy documents, administrative instructions or any other documentation which sets out new government policy on the issuing of mining titles in light of the recent Federal Court decision in the Miriuwung-Gajerrong case; if not, why not?

(2) Was this change in policy the subject of a cabinet decision; if not, why not?

(3) Which categories or classes of titles are proposed to be issued without reference to the Native Title Act processes?

(4) Will the minister table details of those titles that have been, or will be, issued pursuant to this policy; if not why not?

(5) What potential financial liability has been assumed by the State Government as a result of this policy?

(6) Where is the liability reported in the budget papers?

Hon N.F. MOORE replied:

(1) The policy is to grant mining and land titles and to do other acts without reference to the Native Title Act processes where it can be demonstrated from available evidence that native title has been extinguished on the basis of the full Federal Court reasoning in the Miriuwung-Gajerrong appeal case.

(2) Yes, it was approved by Cabinet.

(3) The decision on whether to grant a title will be based on the full Federal Court reasoning in regard to previous extinguishment of native title. The type of title to be granted is not a determining factor.

(4) There is no list of titles which would be granted under the policy. Each application for a title will be assessed on its merits in an orderly manner. See (3) above.

(5) The Government will act in accordance with the law as set out in the full Federal Court decision in the Miriuwung-Gajerrong appeal case. The issue of potential liability does not arise. The issue of compensation from previous extinguishment is quite separate. Processes are available under the Native Title Act to deal with that matter.

(6) Not applicable.

GOODS AND SERVICES TAX, REVENUE

1266. Hon N.D. GRIFFITHS to the Attorney General representing the Treasurer:

I refer to the goods and services tax to be implemented on 1 July 2000.

(1) What is the total expected GST collection in 2000-01, 2001-02, 2002-03 and 2003-04.

(2) How much GST is expected to be collected from Western Australia in 2000-01, 2001-02, 2002-03 and 2003-04?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) Our budget is based on estimated national GST collection in 2000-01 of $24.2b; 2001-02, $28.5b; 2002-03, $29.2b; and 2003-04, $30.8b.

(2) No estimates of GST collected in individual States are available. GST will be allocated among States according to a fiscal equalisation principle rather than State of collection. Our budget estimates of GST payments to Western Australia are 2000-01, $2 353m; 2001-02, $2 684m; 2002-03, $2 720m; and 2003-04, $2 846m.

ANIMAL WELFARE BILL

1267. Hon J.A. SCOTT to the minister representing the Minister for Local Government:

When will the Government proceed with its animal welfare Bill?

Hon M.J. CRIDDLE replied:

The Minister for Local Government advises that he intends seeking a priority for the Bill to allow it to be debated in the spring session.

CITY OF PERTH, REFERENDUM ON GAY AND LESBIAN PRIDE PARADE

1268. Hon HELEN HODGSON to the minister representing the Minister for Local Government:

(1) Did the minister and/or Cabinet request that the Governor use section 9.62 and 9.64 of the Local Government Act 1995 to validate and modify the operation of the Act to allow the City of Perth to conduct an otherwise unlawful referendum on whether the City of Perth should support the Gay and Lesbian Pride Parade?

(2) On what grounds under section 9.64 of the Act did the City of Perth request the Government to act, and what information did the City of Perth need to provide to support its request for the minister to circumvent the provision which makes the referendum unlawful?

(3) What were the reasons for the minister and/or Cabinet deciding to request that the Governor use his powers under section 9.62 and 9.64 of the Local Government Act?

(4) Will the minister table all documents received in relation to the request for the application of section 9.64 and decision to grant the application?

(5) If no to (4), why not?

Hon M.J. CRIDDLE replied:

(1)-(5) The Minister for Local Government approved the use of the Governor's order under section 9.62 and 9.64 of the Local Government Act to enable a referendum to be conducted in conjunction with the proposed extraordinary election. The order was prepared following a request from the Electoral Commissioner and the City of Perth so that the referendum could proceed. The request was supported on the basis that the City of Perth had resolved to carry out the referendum to obtain the views of its electors, and the Electoral Commissioner had agreed to conduct the referendum. Arranging for the referendum to be conducted in conjunction with the election was done in the interests of both financial efficiency and conducting a referendum of electors at the earliest opportunity. The order also provides for the opening of rolls for the referendum so that electors will have a further opportunity to register to participate in that poll.

VIP PLUS PROGRAM

1269. Hon MURIEL PATTERSON to the minister representing the Minister for Family and Children's Services:

Is the VIP Plus program up and running? If so, is there any opportunity for this program to be extended to regional areas?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question. Not only is the VIP Plus program, which involves government and local organisations working to help youth in Victoria Park and Belmont up and running, but also the first students will graduate in two weeks. The wide community support given to the program is increasing on a daily basis and it has just received registered training provider status. This initiative targets young people who have limited prospects because of truancy, behavioural problems or offending by helping build their confidence and gain employment.

The Government has funded the VIP Plus program through its Safer WA initiative. It has been developed in partnership with the Victoria Park Safer WA committee, the Cannington branches of Family and Children's Services and the Education Department, the town of Victoria Park, City of Belmont and the Victoria Park police. The extension of the program to regional areas will depend on local organisations adopting the model and will be subject to funding being available. This Government will continue to take every opportunity to pursue partnerships across government and put in place strategies which will enhance the Safer WA initiative.

HOME AND COMMUNITY CARE SAFEGUARDS POLICY

1270. Hon TOM HELM to the Attorney General:

I refer to the home and community care safeguards policy and the income assessment of clients and ask -

(1) Is the minister aware that some duplicate income assessments have occurred and there have been disagreements between agencies on how this matter should be resolved?

(2) Are any appeal mechanisms in place for settling disputes between agencies?

(3) If not, why not?

(4) If yes, will the minister provide details of the dispute resolution process for service providers.

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) Yes.

(2)-(4) An agreed industry approach to managing multiple user clients was distributed to all agencies in December 1999 in the form of a safeguards bulletin. This approach was further agreed upon by agencies in February 2000, when at a state peak body forum, agencies agreed that case-by-case negotiation would continue to operate. Industry peak bodies are currently preparing further documentation on how best to further manage multiple service user clients.

DRABBLE, MR ROSS

1271. Hon J.A. COWDELL to the Attorney General representing the Minister for Public Sector Management:

(1) Can the minister confirm that Mr Ross Drabble is employed by the Public Sector Management Office and is currently working in the Department of Transport?

(2) If yes, what is his position within the PSMO?

(3) On what project was he working within the PSMO prior to working within the Department of Transport and what was he paid?

(4) When did Mr Drabble transfer to start working in the Department of Transport on special projects?

(5) What are the special projects on which he is working, and what is he currently being paid?

Hon PETER FOSS replied:

I thank the member for some notice of this question. I ask that that question be placed on notice.

METROPOLITAN HEALTH SERVICE BOARD, CORPORATE SERVICES REFORM

1272. Hon G.T. GIFFARD to the Attorney General representing the Minister for Health:

I refer to the reform of the corporate services of the Metropolitan Health Service Board and ask -

(1) What is the expected impact on staff levels at the Osborne Park Hospital site?

(2) How many, if any redundancies at the Osborne Park Hospital site does the board expect over the next three, six or 12 months?

(3) What are these positions?

(4) Apart from the above, will there be any further loss of services or staff at the Osborne Park Hospital site over the next 12 months?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) In September 1999, the Government endorsed a proposal to rationalise the corporate services of the Metropolitan Health Service Board by eradicating duplication and moving to centrally managed services. Project teams are in place and have been developing proposals for new arrangements for the functions under consideration. These proposals have not been finalised and therefore the details of the expected impact on staff levels at the Osborne Park Hospital site is not known.

(2)-(3) Not known at this time.

(4) Normal surgical activity will be maintained.

ENVIRONMENTAL MANAGEMENT PLANS, WESTERN AUSTRALIAN PORTS

1273. Hon GIZ WATSON to the Minister for Transport:

With regard to ports in Western Australia I ask -

(1) Have all the ports regulated under the Port Authorities Act 1999 prepared environmental management plans as required under section 51 (1)(b) of that Act?

(2) If yes to (1) -

  (a) will the minister table copies of these EMPs;

  (b) have any of these EMPs been submitted to the Environmental Protection Authority for consideration;

  (c) if yes to (b), which ones?

(3) If no to (1) -

  (a) why not;

  (b) when will these EMPs be completed?

(4) Which ports exist in Western Australia other than those regulated under the Port Authorities Act 1999?

(5) Do any of the ports in (4) have EMPs?

(6) If yes, to (5), will the minister table those EMPs?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

(1) Yes.

(2) (a) No. EMPs under the Port Authorities Act 1999 are a part of the Port Authority's strategic development plan. Typically, the strategic development plan is a high-level document intended for use between the minister and the Port Authority Board. The emphasis is on high-level principles and policies. Members will note under the Port Authorities Act 1999 that the strategic development plan is not tabled in Parliament.

(b) No. For the reasons stated above.

(c) Not applicable.

(3) Not applicable.

(4) The other gazetted ports in Western Australia are Barrow Island, Carnarvon, Derby, Emu Point Fishing Boat Harbour, Fremantle Fishing Boat Harbour, Maud Landing, Onslow, Perth, Port Walcott, Wyndham and Yampi Sound.

(5) There is no statutory requirement under my jurisdiction for these ports to have EMPs. It is understood that the environmental system would be in place and EMPs may be required in specific instances by the EPA.

(6) EMPs that exist in the above ports would not normally be sent to me and therefore are not available for me to table.

NORTHBRIDGE TUNNEL, WATER SEEPAGE

Hon TOM STEPHENS to the Minister for Transport:

(1) Is the minister prepared to confirm the media comments by departmental and ministerial officers that the water seeping into the east-west wing of the Northbridge Tunnel is not a concern to Main Roads staff?

(2) Can the minister advise whether Main Roads staff have had any discussions internally or with the contractor or with any other body about water leakage over the past three weeks?

(3) If so, who was involved on those discussions and what was the content of those discussions?

(4) What repair works are scheduled for the tunnel in July-August 2000?

Hon M.J. CRIDDLE replied:

(1) Main Roads has reported that water seepage into road tunnels is not unusual and was anticipated. Water seepage is occurring through the floor and while it is not affecting the durability of the tunnel structure, it may affect the performance of the asphalt. The contractor has been monitoring the asphalt and has advised the Government that he intends to undertake some repairs.

(2) Yes. Main Roads staff have had a number of discussions concerning water seepage with the contractor.

(3) Discussions have involved the Main Roads project director and the BCJV's project director. The discussions concerned the monitoring of the floor seepage and a proposal by the contractor to utilise a planned closure period for routine tunnel maintenance to undertake some repairs to the tunnel floor leaks.

(4) The tunnel contractor had advised that in addition to the planned routine maintenance, repairs to cracks in the floor of the west-bound carriageway will be undertaken. This includes the removal of asphalt, grout injection of cracks and relaying of the asphalt.

Under the contract established with the joint venture company that built the facility, it will maintain the tunnel over the next 10 years. This work will be carried out as part of the normal maintenance program. There is no additional cost to Main Roads or to the public of Western Australia.

PLUMBING AND PAINTING TRAINING COMPANY, APPRENTICES

1274. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Employment and Training:

(1) Will the minister table a list of the number and names of the apprentices employed by the Plumbing and Painting Training Company who have successfully completed a plumbing and gas fitting pre-apprenticeship course?

(2) How many of these apprentices are signed on for a four-year apprenticeship term?

(3) Who gave approval to waiver the three-year mandatory term?

(4) Does the minister realise that this is a breach of the Industrial Training Act 1975; if yes, what will he do about it?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) There are eight apprentices in this category.

(2) All of them.

(3) All of the apprentices were registered on the basis of a misunderstanding which has since been resolved.

(4) Yes, the minister is aware there was a breach of the Industrial Training Act as a result of this misunderstanding. However, the plumbing and painting group training scheme has been advised and instructed in writing by the Department of Training and Employment to put each of the apprentices onto a three-year indentured apprenticeship term to take effect immediately.

INFORMATION AND COMMUNICATIONS TECHNOLOGIES INDUSTRY, DEVELOPMENT STRATEGY

1275. Hon E.R.J. DERMER to the to Leader of the House representing the Minister for Commerce and Trade:

(1) What is the 2000-01 allocation of funds for the implementation of the development strategy for the Western Australian information and communications technologies industry?

(2) When will the final strategy be released?

(3) For what reason has the release of the final strategy been delayed?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) $2 326 000.

(2) It is expected the strategy will be released in early August 2000.

(3) There has been no delay in the release of the final strategy. Public comments were sought on the draft strategy. These comments have been evaluated and the strategy has now been finalised.

LAKE JOONDALUP, LAND RESERVE STATUS

1276. Hon RAY HALLIGAN to the to Attorney General representing the Minister for Planning:

What is the current land reserve status of Lake Joondalup and have any special land use restrictions been placed on land usage around the lake that relate to its environmental protection?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

The water body which is Lake Joondalup is a class A crown reserve for the purpose of recreation and conservation of flora and fauna which is vested jointly in the Cities of Joondalup and Wanneroo and the National Parks and Nature Conservation Authority.

In 1975 the lake and its environs were reserved for parks and recreation in the metropolitan region scheme by the Western Australian Planning Commission. The reservation covered a number of existing crown reserves and private land. The reservation not only empowered the commission to purchase the private land but also established a mechanism to control development and land use from the date of the reservation under the terms of the Metropolitan Region Town Planning Scheme Act. All the land around lake Joondalup with the exception of five private properties is under the control of a government agency. The private lots will be acquired by the commission in due course.

In 1991 Yellagonga Regional Park came into being. Lake Joondalup is included in the regional park. In May 1997 Cabinet approved the formation of a network of regional parks in the metropolitan region under the control of the Department of Conservation and Land Management. On 17 April 2000 the Minister for the Environment released a draft management plan for Yellagonga Regional Park for public comment. The purpose of the plan will be to establish policies for a coordinated management regime which will provide for the protection and rehabilitation of the environmental values of the park and ensure that the provision of community facilities is done in sympathy with those values.

TRAINS, CLEANLINESS

1277. Hon KEN TRAVERS to the Minister for Transport:

(1) Can the minister confirm that at his office's request the train he took today to Currambine had to be taken out of the peak-hour services to enable it to be fully cleaned and detailed?

(2) Does the minister believe that the normal level of cleanliness on trains is not up to a standard he would expect?

(3) Do passengers who pay to travel on the trains deserve to have the same level of cleanliness as the minister expects?

Hon M.J. CRIDDLE replied:

(1)-(3) Everyone who travels on the rail service enjoys a good standard of cleanliness and service. I have been on that train as an ordinary passenger and have been surprised at the cleanliness and the condition of the train.

Several members interjected.

The PRESIDENT: Order! The minister heard the question. Members can see what happens if they interrupt.

MATRIX VEHICLE LEASE, GOVERNMENT BODIES NOT INVOLVED

1278. Hon BOB THOMAS to the Minister for Transport representing the Minister for Works:

Hon Peter Foss interjected

Hon BOB THOMAS: Perhaps if the Attorney General spent a bit more time listening instead of playing his game he would hear properly.

The PRESIDENT: Order! If Hon Bob Thomas does not want to ask a question I have other members who do.

Hon BOB THOMAS: Which government departments, agencies, sections of departments or agencies are not subject to the Government's Matrix vehicle fleet leasing deal?

Hon Peter Foss: I think it is me. If Hon Bob Thomas cleaned his ears out he will get the right minister.

The PRESIDENT: Order! The question has been asked and I am looking for an answer. I will take anyone with an answer.

Hon PETER FOSS replied:

This is a very amusing situation because not only did Hon Bob Thomas get the wrong minister and accuse me of not listening properly, he has been a bit of a silly all round because the answer is: Please refer to the response provided to question on notice 693, which appears in *Hansard* of 14 March 2000.

DEATHS IN CUSTODY INQUIRY, TERMS OF REFERENCE

1279. Hon KIM CHANCE to the Minister for Justice:

(1) What are the terms of reference for the inquiry announced on the weekend in relation to the recent deaths in custody?

(2) Will the inquiry address the issue of appropriate health care in Western Australia's detention centres; and, if not, why not?

(3) What steps have been taken by the Government to involve Aboriginal medical services in the delivery of health care in the prison system?

(4) Will the minister coordinate the allocation of financial support to Western Australian Aboriginal community controlled health organisations to enable them to be involved in the review and consideration of its future involvement in any proposal to outsource detention health services?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1) No inquiry has been announced. However, a review of recent deaths will be undertaken to identify areas where preventive measures can be enhanced.

(2) Where issues of health care are relevant, these will be examined.

(3)-(4) Discussions have been initiated between prison health services and the Western Australian Aboriginal community controlled health organisations to identify opportunities for increased cooperation.

DEPARTMENT OF CONSERVATION AND LAND MANAGEMENT, BLUE GUM PLANTATIONS

1280. Hon CHRISTINE SHARP to the Attorney General representing the Minister for Forest Products:

Further to my question yesterday, can the minister table a copy of map of the Department of Conservation and Land Management's blue gum plantations covered by sharefarming agreements prior to the 1999 plantings?

Hon PETER FOSS replied:

I thank the member for some notice of this question. I table a copy of the map requested. By way of explanation, the legend "CALM managed share farms broadleaved" refers to publicly owned plantations established on private property and covered by sharefarming agreements between the owners and CALM. The legend "agency plantations broadleaved" covers plantations established on private property and managed by CALM for private investors in accordance with sharefarming agreements between the owners and the investors. [See paper No 1082.]

KARAJARRI LAND CLAIM

1281. Hon TOM STEPHENS to the Leader of the House representing the Premier:

I refer to the Government's decision to withdraw from five years of negotiation on the Karajarri land claim.

(1) Why did the Government withdraw from the negotiations and on whose advice?

(2) Does the Government have an estimate of its potential legal costs in the Federal Court application which began yesterday in relating to the application in Broome; and, if so, what is that estimate?

(3) If not, why not, and will the Government obtain an estimate in the near future?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) The State Government did not withdraw from five years of negotiation on the Karajarri land claim. The Federal Court hearing which commenced on 20 June 2000 in Broome is over a Karajarri native title claim WC99/41 and is eight times larger than the area over which the Government entered into negotiations in 1997. The claim being tried is in effect not the same claim; it simply includes a small area over which the Government was willing to negotiate. The claim is also significantly different because the rights being claimed are not the same rights.

The small claim over which the State Government entered negotiations WC96/68 was a claim for coexisting rights over two pastoral leases. The rights were limited native title rights - for example, non-exclusive hunting, fishing and ceremonial rights - which would have been exercised under a good neighbour access agreement with the leaseholder. The native title rights claimed in the Karajarri claim WC99/41 that is before the Federal Court are rights for exclusive possession and control of the claim area compatible with the rights recognised in the 1998 Miriuwung-Gajerrong decision, including the right to control access to and the use of natural resources.

These are the same rights which were challenged by the State in the Miriuwung-Gajerrong appeal and which were amended by the decision of the Full Bench of the Federal Court this year. To proceed with negotiations on those grounds, the State would have been ignoring expert advice on the nature of the evidence and conceding native title rights which it was challenging in the Federal Court. Critically, the State would have been conceding mineral ownership to the Karajarri people.

The State's concern is accountability. Recognition of native title by the State must be based on strong evidence. A determination gives native title holders valuable property rights and the right to compensation for future and past acts over the land. The cost of compensation will be borne to a large degree by the taxpayer.

The Karajarri claimants modified the scale and nature of their claim during the process of negotiation, including matters which are in direct conflict with state laws regarding mineral ownership. The original offer of consent determination was for co-existing rights only over a small part of the current claim. The Karajarri claimants changed their claim during the negotiation and later expanded it to a size eight times larger.

(2)-(3) The notional budget of the Crown Solicitor's Office for the claim in the 2000-01 financial year is $300 000. This will vary depending on a range of outcomes. The cost of either litigation or negotiation of native title claims and the cost of implementing native title determinations and agreements, however they are arrived at, is expensive and will escalate for decades. The Government, through both the courts and negotiation, wants to guarantee that if native title rights exist in a particular claim, they are legitimately recognised and that the identity of all relevant native title holders is clearly established. This is the only insurance the Government has to guarantee that native title rights in future are capable of sustainable, responsible management. If that takes a series of court cases to provide legal guidance for the future, there is no other option. If there is any doubt about the need to establish who holds what native title rights and how they will be managed, it is useful to look at what has happened in the East Kimberley.

Almost two years after the Federal Court Miriuwung-Gajerrong determination, the native title holders have not been able to establish a native title body corporate which can legally enter into land use agreements. This is because of disputes between traditional owners about the rights of different people to land within the claim. These disputes are serious enough for the Northern Land Council to have appealed Justice Lee's interpretation of evidence in the original Miriuwung-Gajerrong trial on behalf of some of the claimants. This is just one example of the sort of naivety attached to the view that every native title claim can be settled by negotiation without any legal ground rules.

NATIVE TITLE, MINING TITLES

1282. Hon TOM STEPHENS to the Minister for Mines:

I refer to the Government's decision to issue titles as a consequence of the recent full Federal Court decision in Miriuwung-Gajerrong. By what mechanism will any invalid mining titles be validated if the High Court reverses all or part of the Full Bench of the Federal Court's decision?

Hon N.F. MOORE replied:

The member knows well that when a future decision of a court invalidates an act which is undertaken under a current law, legislation is passed to validate what has been done. The Leader of the Opposition wants the State Government to do nothing in respect of the current law and then wait for 18 months on the expectation that some High Court appeal may change the law. How would he react if the original decision of the Miriuwung-Gajerrong case were ignored by the Government on the basis that it would be overturned by some future appeal and then carried on as though nothing had happened? He would have been the first to scream his head off and so would the various land councils. The fact of the matter is simple: The law on native title is the law as determined by the Full Bench of the Federal Court decision on the Miriuwung-Gajerrong appeal. It provides that native title has been extinguished on pastoral leases which have been either enclosed or improved. That is the law now, so the Government of Western Australia will abide by that law as it has all the way through the processes of the native title Act from the very beginning. I have said to the Leader of the Opposition that in the event that some future decision by a court invalidates a title, we will seek to validate that in the same way it has been done before. We would expect the Labor Party to support any legislation to do that.

Hon Tom Stephens: You do not understand this is national legislation.

Hon N.F. MOORE: I do understand that. The silly thing is that the Leader of the Opposition wants us to ignore the law at present because he does not like it. When the Miriuwung-Gajerrong decision was first made and the law was in place the way he wanted it, he could not contain his glee because it was going to stop the mining industry and give mineral rights to Aboriginal groups. He supported it. He could not care less about the resource sector in Western Australia. People like the Leader of the Opposition, the Kimberley Land Council and the Goldfields Land Council want to stop the resource sector for reasons which we do not know.

Hon Tom Stephens: Bunkum!

Hon N.F. MOORE: I know what Peter Yu wants to do and I know what Mr Wyatt wants to do in Kalgoorlie, but I do not know what the Opposition wants to do. I am saying to the Leader of the Opposition that he should put the State of Western Australia and the Commonwealth of Australia ahead of his own personal political agenda and give us some certainty on where these things will go in the future. If he expects Western Australia to ignore the law as it currently exists, that is stupid. He knows it and I know it.

ELECTRICITY GENERATION, WEST KIMBERLEY

Hon N.F. MOORE: I wish to provide additional information to question without notice 1262 of 20 June. Further to my response to part (1) of that question given yesterday, the Minister for Energy has supplied additional information by way of explanation as follows -

> Bidders in the power procurement process for the West Kimberley region were to be responsible for the identification and acquisition of potential power generation sites. Because of the difficulty experienced by bidders in locating and acquiring suitable sites, the Government, through the regional power procurement steering committee, has been assisting to facilitate the process.