



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
FIRST SESSION
1997

LEGISLATIVE ASSEMBLY

Tuesday, 21 October 1997

Legislative Assembly

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THE SPEAKER (Mr Strickland) took the Chair at 2.00 pm, and read prayers.

INDUSTRIAL DEVELOPMENT - KINGSTREAM PROJECT

Oakajee - Standing Orders Suspension

DR GALLOP (Victoria Park - Leader of the Opposition) [2.05 pm] - without notice: I move -

That so much of standing orders be suspended as would be necessary to allow me to move the following motion -

This House censures the Deputy Premier for misleading Parliament by repeatedly claiming last week that Kingstream Resources and not the coalition Cabinet had instigated the Oakajee option.

The Deputy Premier had every chance between the rising of the Parliament and this morning to correct the statements that he made in the Parliament last week about the decision to shift the Kingstream project from Narngulu to Oakajee. A real test for all members of the Government is whether the statements that are made by the Deputy Premier of this State in this Parliament have behind them the authority of the Government; and whether when we show that those statements are misleading to the Parliament and the people of this State, the person who made those statements is censured.

I will outline the facts of this matter. The issue of the Oakajee industrial estate came before this Parliament last week on three occasions, when the Deputy Premier was asked in question time about the reasons for the shift from Narngulu to Oakajee. It is interesting that on Tuesday, 14 October, the Deputy Premier told this Parliament that Kingstream Resources had initially decided to go ahead at Narngulu, but given the expansion of its plant from 750 000 tonnes of slab steel per annum to about 5 million tonnes, it had decided that the Narngulu site would not be appropriate.

That statement puzzled me, because the clear understanding of everyone who had followed this project of the statements that had been made by the Minister for Resources Development in the second reading speech, and others, was that the reason that the shift had been made was that the Government of Western Australia had decided that Oakajee should be explored as an option. Therefore, the question was put to the Deputy Premier again on Wednesday, 15 October, and the Deputy Premier said -

When it entered into an arrangement with An Feng, the company sought to relocate. There is no question about that.

He said also -

It was at the instigation of Kingstream, much as the Leader of the Opposition would like to say otherwise, that it was decided to relocate to Oakajee . . .

If that was not enough, we raised the issue in this Parliament again on Thursday, 16 October, when I asked the Deputy Premier whether he still maintained his position that the move to Oakajee was at the instigation of Kingstream Resources, and the answer was: Yes. What standards are we setting in this Parliament for ministerial answers to questions? Will we have a rule in this Parliament that when a Minister answers questions he must do so truthfully on the basis of what happened within the processes of government, or will we allow Ministers to mislead the Parliament about what happens?

I refer to the media statement made by the Minister for Resources Development on 12 November 1996. It reads -

Cabinet has also decided that the \$1.4 billion project should be located at Oakajee, 25km north of Geraldton, provided that technical, economic, financial and environmental feasibility studies into the site and an associated deep water port prove acceptable to the State and the proponents.

"The proponents of the project, Kingstream Resources and An Feng, have indicated to the State Government that they are prepared to relocate the project to Oakajee, provided that a port is established nearby", Mr Barnett said.

Further on the statement continues -

"However, Narngulu will remain an acceptable fall-back position for the project, should Oakajee prove not to be feasible to either the proponents or the Government once the necessary investigations are complete.

The SPEAKER: Members are well aware that when we debate these motions we need to stick to the motion. I have allowed five minutes for the member to develop an argument, but remind him that the motion refers to suspension of standing orders.

Dr GALLOP: This is the first opportunity since question time last week that we have had to raise the issue. An opportunity was given for the Deputy Premier to explain his position to the House on the basis of other comments I am about to quote on this matter. This time is now available to us to raise this matter. Secondly, and very importantly, if we are not able to debate the standards that this Government sets for its Ministers and the Government says that we cannot debate this subject, what does that tell us about the Government of Western Australia?

When this issue arose in the Parliament on Wednesday, 13 November 1996 the Deputy Premier himself, in answer to a question, because he took responsibility for the issue given that the Premier was not in the chair of Cabinet, said that Kingstream Resources had agreed that it would permit the Government to examine the capacity for the project to be relocated at Oakajee: "In order to allow that to happen a sum of money has been appropriated to conduct the feasibility study associated with the cost of the development's infrastructure, which at the moment is estimated to be \$2.5m." Last week in this Parliament the Deputy Premier misled the people and the Parliament about what was said. We will give him an opportunity to explain himself to this Parliament today.

The other reason the Opposition is raising the matter today as a matter of urgency is that an article in this morning's newspaper confirms the position I put in Parliament last week that the developers of this project were quite happy to stay at Narngulu. When the Government made the decision that the location of the project should change, its initial response was extreme concern about what that could mean for the project. In an article in today's *The West Australian* Mr Nik Zuks, the Director of An Feng-Kingstream, confirms without any doubt the position put by the Opposition in this Parliament last week that directly contradicts the position of the Deputy Premier. It reads -

Mr Zuks dismissed repeated claims by Deputy Premier Hendy Cowan last week that the company had sought the move to Oakajee.

Narngulu had fitted the project "like a glove", Mr Zuks said.

"We view Oakajee as a good site, but we were asked to go there."

I specifically put this question to the Deputy Premier last week: Was it at the instigation of Kingstream or the Government? He said it was at the instigation of Kingstream.

There is no further confirmation of the Opposition's position than the comments of the director of An Feng-Kingstream in today's *The West Australian*. The importance of this issue is clear if we are to have any parliamentary standards at all for the responsibility of Ministers to this Parliament. What sorts of standards will the Leader of the House accept? What sorts of standards will others in the Government accept? What sorts of standards will government backbenchers accept when Ministers mislead this Parliament - not once, not twice, but three times - about an important issue?

The important issue that requires us to suspend standing orders today and deal with this matter is that this morning's newspaper contains confirmation that what the Deputy Premier said misled this Parliament. If members are not able to suspend the standing orders of this Parliament and debate these most important matters of parliamentary standards, what will that say about the standards this Government accepts? There is no other time to do this. We gave the Deputy Premier a chance last week to respond to this issue, and he did not.

Why is the Deputy Premier misleading the people and the Parliament about this matter? He is doing it because this is a major issue in the Government. There is a major dispute in the Government of Western Australia about this project. The National Party is trying to avoid accountability for its role in the decision to push Kingstream away from Narngulu. The National Party was part of that decision. It was part of the Cabinet. The second reading speech of the Minister for Resources Development makes absolutely clear that it was a Cabinet decision. The National Party supported that decision, but it is now embarrassed with that decision. What is it trying to do? Like all people caught out in situations like that, it is trying to rewrite history to avoid the accountability that goes with the role it played in the decision to push Kingstream away from Narngulu.

I hope that on this issue we will not get a tricky linguistic exercise from the Deputy Premier in an attempt to say that what he said in this Parliament last week was not what I interpreted his statements to mean. The Opposition gave the Deputy Premier every opportunity in this Parliament to correct what he said. The record as it stands in this Parliament is a clear misleading of the public and the people of Western Australia about this project. The reason for that is that the Government is trying to avoid the accountability requirements of our system of government. The National Party was up to its neck in the decision to shift Oakajee. It was part of the Cabinet that made that decision and it must accept responsibility for it. National Party members cannot rewrite history in order to disentangle

themselves from the decision they made as part of the coalition. The time has come for real parliamentary standards to be enforced. The time has come to allow members to debate this major issue that relates to the integrity of the Deputy Premier in his dealings in this Parliament.

MRS ROBERTS (Midland) [2.18 pm]: I second the motion to suspend standing orders. This Government talks a lot about openness and accountability. Today the Opposition has raised serious allegations about the openness and accountability of no less a member than the Deputy Premier. The Leader of the Opposition pointed out conflicting statements that were made by the Deputy Premier, the Minister for Resources Development and also the director of An Feng. This is a matter of the utmost seriousness. For all appearances it seems the Deputy Premier misled this House in his answers to questions last week. This matter must be debated openly and with full accountability.

The Opposition has offered the Government a very limited timed debate so this issue can be properly and fully debated. Unfortunately, it appears that the Government will use its numbers to stop us raising these important issues of accountability for full debate in Parliament.

I strongly support the suspension of standing orders. If members of this Chamber believe in the Westminster system and in openness and accountability, and in Ministers being responsible for their statements made in this House, they will also support the suspension of standing orders.

MR BARNETT (Cottesloe - Leader of the House) [2.20 pm]: I am somewhat confused about whether the Opposition is intent on supporting this project.

Dr Gallop: It has nothing to do with the project; it has to do with the Deputy Premier, my friend!

Mr Cowan: It has everything to do with it.

Dr Gallop: Speak to the motion.

Mr BARNETT: I am waiting for the opportunity. I have been going for about three seconds.

Several members interjected.

The SPEAKER: Order!

Mr BARNETT: The Opposition has moved this motion and I now explain why the Government does not agree to suspend standing orders on this matter. I need not go through the history of the project, and I will confine my remarks to the issues raised by the Opposition, but I need to make some preliminary comments on the proposal's background.

The Kingstream project, as members are aware, has changed its location several times and has changed size. What started as a steel plant to produce 700 000 tonnes per annum at Mullewa, then transferred to the Narngulu site with a proposed production of 1 million tonnes per annum. At that stage the project was proceeding independent of much interaction with the Department of Resources Development; indeed, there was very little interaction in terms of having a state agreement.

Along the way, particularly when the Taiwanese group An Feng became involved, the project's proponents decided to increase the size of the project from a production of 1 million tonnes to 2.4 million tonnes per annum. At that stage, the dimensions of the whole project changed dramatically. For all sorts of reasons, a project of that scale, in my view at least, would not be suitable to be located -

Dr Gallop: Who made that decision?

Mr BARNETT: I will get to that. It is not suitable for the project to be located within 2 to 3 kilometres of Geraldton residences. To put it bluntly, a steel mill producing 2.4 million tonnes per annum, costing \$1.4b, with another \$1b of associated infrastructure, including a power plant of the order of 300 to 400 megawatts, would transform Geraldton into a steel town.

Mr Grill: Your department was happy for the company to go down that road -

Mr BARNETT: I will get to that point. Why is the member for Eyre so nervous? He looks incredibly apprehensive today.

All sorts of issues are involved: For example, the movement of vehicles will involve trucks with two large trailers moving approximately every two minutes and 43 seconds.

Dr Gallop: So it was a government decision, was it?

Mr BARNETT: Hang on. I need some assistance, Mr Speaker. I am perfectly happy to answer every point made,

but government members sat and listened to the two addresses by members opposite, to which I would like to respond.

Those issues I have raised are involved, along with others like the visual impact of building large emission stacks close to the town and airport. Since the late 1960s -

Mr Grill: Can I ask one question?

Mr BARNETT: No, the member cannot.

Several members interjected.

The SPEAKER: Order!

Mr Grill: Why did you allow the company to go through the environmental process if that is the case? Your department was complicit in that, and so were you.

Mr BARNETT: No. This is unbelievable.

The SPEAKER: Order! We are dealing with a motion to suspend standing orders. I have allowed a lot of interjections, but I intend to tighten up in that regard. The Minister must have an opportunity to put his reasons for his approach to the motion before the House.

Mr BARNETT: The project's proposed production went from 700 000 tonnes, to 1 million tonnes and then to 2.4 million tonnes per annum, which is an almost four-fold increase in scale. Therefore, the entire project's dimensions changed dramatically. The infrastructure - whether it be pipelines, a power station or oxygen plants - relates to a very large industrial complex. This thing is large in every respect: It will employ up to 1 000 people, and has huge transport complications in transporting bulk product through a port of Geraldton with no stockpiling at the port to handle that scale of product.

The project does not involve only the export of 20 tonne pieces of steel; it also involves the importation of coal. Members might like to consider the environmental impact of importing coal through the Port of Geraldton. Scrap metal would also be imported and it is moved using a claw, which reaches into the hull of the ship, picks it up and drops it on trucks. I do not believe that the people of Geraldton would have been excited about coal and scrap metal being handled at the port. However, beyond that -

Dr Gallop: Whose decision was that?

Mr BARNETT: I will answer as I wish and the Leader of the Opposition can raise issues as he wishes, but I will not put up with his petty interjections. The real crunch is the handling of large shipping. The large vessels that would be used would not be able to get into the port even with extensive dredging. A whole range of technical, transport, environmental and planning issues -

Mr Marlborough: That is the argument you had with the Minister for Transport this morning. These are the words you used when trying to convince them not to spend \$80m in Geraldton.

Mr BARNETT: The member will be disappointed to know that I have not spoken to the Minister for Transport since I returned from Japan.

With the change in the scale of the project, all of the issues changed. The Kingstream Resources project was the subject of an environmental approval process at that site. When the scale was changed, as the responsible Minister I formed the view, as did my colleague the then Minister for Planning, Hon Richard Lewis, that it had major and particularly damaging planning and environmental implications for the City of Geraldton. That is right; I do not have any hesitancy or embarrassment about admitting that. I would be stunned -

Dr Gallop: Was it a Cabinet decision?

Mr BARNETT: The leader should calm down.

Dr Gallop: I am very calm; it is you I am worried about.

Several members interjected.

The SPEAKER: Order, member for Cockburn!

Mr BARNETT: I hope members on both sides will support development and the preservation of the quality of the life and the environment at Geraldton. That is what it is all about.

Several members interjected.

Mr BARNETT: I am sorry, I will answer my -

Mr Grill: You never thought the project would get off the ground and that is why you allowed it to go down that path. That is why you and your department are guilty of complicity. When you realised that it would get off the ground you had to change your mind. That is why it has been moved to Oakajee.

Mr BARNETT: I will not comment on the competence of the member for Eyre to discuss this project - others can make their judgment about that.

In the early days, the Kingstream Resources proponents did not wish to negotiate a state agreement; they wished to negotiate under the existing environmental, mining, transport and other laws. The group was running into some difficulties in that regard. When the tonnage increased from 1 million tonnes to 2.4 million tonnes, the project was so enormous that it required a comprehensive agreement.

I formed the view that the project would be better located at Oakajee. I have no hesitation in saying that and I have said it publicly on a dozen occasions. The Minister for Planning at the time strongly supported that view and it was debated at least twice in detail in Cabinet. I recall giving a detailed briefing to Cabinet on the issue. The Government realised that if the project were to be moved from Narngulu to Oakajee it would incur major expenditure on roads, acquisition of land, port development, rail corridors, power and water connections and so on. Any change of location, however it came about, would require major expenditure. On that basis, I strongly formed the view that that was the best site for the project. Oakajee has been investigated by successive State Governments as an industrial site since the late 1960s; in fact, an enormous amount of work has been done over the years by successive Governments.

Kingstream Resources proponents were approached and asked whether they would consider moving the project to Oakajee if the move would in no way disadvantage it.

Dr Gallop: You are contradicting what the Deputy Premier said last week.

Mr BARNETT: I do not know what the Deputy Premier said last week, but I am sure he will speak for himself. I am telling the House the sequence of events.

Cabinet considered the project on at least two occasions. I negotiated with Kingstream-An Feng about the project. In the early stages Kingstream had looked at Oakajee as one of its original seven options, but it had no infrastructure, so did not proceed with it. I took the trouble to go to Taiwan to talk to the Kingstream-An Feng principals. They were strongly supportive of an Oakajee site because it solved a lot of their obvious problems. Mr Chew, the Chairman of Kingstream-An Feng, said quite clearly to me, "If this project can succeed and establish, we would certainly look at expanding the project in the future. We would not be able to do that at Narngulu. Oakajee is attractive to us for all of those reasons."

Dr Gallop: When did you go to Taiwan?

Mr BARNETT: In February of this year.

Dr Gallop: When was the decision made - in November? You must not try to mislead the Parliament about that decision. You did not bother to tell the Parliament that it was February. You are an absolute disgrace.

Mr BARNETT: I went to Taiwan in February. It was certainly not the first time I had discussions with An Feng principals.

Dr Gallop: We had discussions with them the day after you made the decision. They were most concerned about that Cabinet decision, which was made at the Government's instigation and not theirs. That is how the Deputy Premier misled us.

Mr BARNETT: The Leader of the Opposition must recognise that he is not in Cabinet any more. The way he is going on, he will never see the inside of the Cabinet room again.

From recollection the discussions about the location went on from September 1996 until the completion of the negotiations when the agreement Bill was brought into Parliament. I spoke to An Feng principals in Taiwan before the Bill was progressed and finalised in this Parliament. Quite clearly the Government, and I particularly, saw major advantages in the development of an Oakajee industrial estate and deep sea port. That offer was made available to Kingstream.

Dr Gallop: You will vote for our motion, then?

Mr BARNETT: We negotiated for a period of time. What is the problem?

Dr Gallop: Will you vote for our motion?

Mr BARNETT: Where is the problem? The Government has provided some leadership. We said, "Here we can have a major project and other projects may develop. We can have a deep sea port and a major industrial estate, both of which this State desperately needs. We will provide an opportunity for private sector development." The Government must support it. There is no hidden agenda here; it is all public and has been put through an agreement Act, which was supported by the Opposition in both Houses of Parliament. It was all done absolutely aboveboard, in an open and accountable way. I do not understand the problem of the Leader of the Opposition. We put it to Kingstream that Oakajee was the best site.

Dr Gallop: The Deputy Premier misled the Parliament. You are not answering the question.

Mr BARNETT: Kingstream looked at the site and said, "Yes, it is the best site." As is reflected in the state agreement Act, we agreed to work towards the successful development of the project at Oakajee. Nobody knew at that stage whether we could develop a deep sea port at reasonable cost. All sorts of financial, technical and environmental criteria are involved. If the Oakajee development failed on any of those grounds, there would be a fall back to Narngulu. That is in the agreement Act. There are no surprises there; it is quite open. I question whether a project involving 2.4 million tonnes would gain the necessary environmental and planning approval at Narngulu.

Dr Gallop: You are prejudging.

Mr BARNETT: I am questioning it.

Several members interjected.

Mr BARNETT: The Deputy Premier will comment on what he said last week. I was not here.

Dr Gallop: You cannot avoid accountability like that. I read out the quotes.

Mr BARNETT: I cannot see what the Leader of the Opposition is on about. As to accountability, what an extraordinary difference this is. This process has been quick. The Leader of the Opposition complained -

Dr Gallop: That is not what we are debating.

Mr BARNETT: Be quiet, my friend. I have had enough.

Several members interjected.

Mr BARNETT: When we brought the agreement Act through, the Leader of the Opposition complained that the process was too quick. He is now complaining that it is too slow. We are spending about \$2.5m on 20 to 30 different feasibility and technical studies, even to the point of looking to see if the harbour has any unexploded bombs. That shows the level of detailed work that is being undertaken. There has also been wave monitoring, studies of rock type, and sub-sea drilling. The Deputy Leader of the Opposition laughs. We go into that detail because we are a responsible Government. Compare that, Mr Speaker, with what happened when the clowns opposite threw \$400m at the Petrochemical Industries Co Ltd project. That was irresponsible government. There was no accountability, no study and no financial viability, technical, market or any other test.

Dr Gallop: The Minister for Resources Development should answer the question: Did the Deputy Premier mislead the Parliament?

Mr BARNETT: The difference between the former Labor Government and this Government is that we are doing it properly - the Leader of the Opposition hates this - and the project will proceed.

MR COWAN (Merredin - Deputy Premier) [2.35 pm]: As some licence has been given in this debate, now would be a good opportunity for me to debate this issue. The Leader of the Opposition should read the three questions he asked last week. He was building up to some issue which mystified me at the time, but I have finally discovered what he was trying to get at. In each instance the question was answered in a way that said that when Kingstream demonstrated an expanded operation, Oakajee had become an option.

Dr Gallop interjected.

Mr COWAN: The final question asked last Thursday by the Leader of the Opposition was whether the shift to Oakajee was at the instigation of the Government or Kingstream. The Government has not forced Kingstream to go anywhere. The Government set up an agreement with Kingstream. That is exactly what it is - an agreement. Having decided it would expand its production to the extent indicated in the agreement, Kingstream decided that Narngulu was an inappropriate site.

Dr Gallop: The Government made that decision.

Mr COWAN: Oakajee was not on the agenda on that first occasion.

Dr Gallop: The Deputy Premier is not telling the truth and he knows it.

Mr COWAN: The Government has not made any demand whatever of Kingstream.

Dr Gallop: The Minister for Resources Development just said it did and he went to Taiwan to explain it.

Mr COWAN: Kingstream made a choice based on its expanded production. That was stated three times last week, and I will continue to say it as long as I am asked. Two important issues are involved. The first is that when Kingstream sought to establish a steel mill in the mid west it considered two options: Mullewa and Narngulu. At that time Oakajee was not an option. With its expanded operation and the concessions that had been offered to the company by the Minister for Resources Development, Oakajee became an option for Kingstream to consider.

Dr Gallop: What concessions? The Premier put out a Press statement during the election campaign saying there were no concessions. What are you on about? Is this another story you are making up?

Mr COWAN: Having considered it -

Ms MacTiernan: It became their option.

Mr COWAN: Kingstream was not forced. That is the problem that members opposite cannot seem to fathom. Nobody was coerced into making that decision.

Dr Gallop: When did the word coerce come into it? What a standard the Government is setting for question time. It is a disgrace.

Several members interjected.

The SPEAKER: Order! I have allowed interjections from the Leader of the Opposition because there have been occasions when the member on his feet has been prepared to take the interjection on board. We now have a barrage of interjections from both sides of the House, which is unacceptable.

Mr COWAN: All that needs to be said about this is that -

Mrs Roberts: It is a subterfuge.

Mr COWAN: There is no subterfuge. If the Leader of the Opposition had been genuine in his attempt to be granted some licence by the Chair to allow him to discuss this issue, he would have gone through the normal processes that are available to the Opposition. In other words, he would have put the motion on the Notice Paper for discussion during private members' business. He chose to not do that.

I do not want to make a statement that would make it more difficult for Kingstream Resources. I met with the chairman of Kingstream Resources immediately after the company made the decision to expand its production. At that time, the chairman of that company said to me, and I will repeat it for the benefit of the House, "When we began this process, Narngulu or Mullewa were the two options we were considering. Now that the process has been expanded and we have a joint venture with An Feng, production will increase and Oakajee is an option because we want to be as close to the water as we possibly can." Does that smack of someone being told they had to go somewhere?

Dr Gallop: Have you read today's paper?

Mr COWAN: Yes, I have.

Dr Gallop: What is your comment?

Mr COWAN: I can only suggest that Mr Nik Zuks has a discussion with the chairman of the company.

At that meeting the chairman of Kingstream made it very clear to me that the company was very pleased with the opportunity to go to Oakajee because that gave it the prospect of having a steel mill a little closer to the water. Kingstream Resources was very satisfied and very pleased with the opportunity to transfer its operations to Oakajee. I maintained that in answer to questions asked last week, and I maintain it today. This motion deserves to be opposed.

Question put.

The SPEAKER: To be passed, this motion requires the concurrence of an absolute majority.

Division taken with the following result -

Ayes (20)

Ms Anwyl
Mr Brown
Mr Carpenter
Dr Constable
Dr Edwards
Dr Gallop
Mr Grill

Mr Kobelke
Ms MacTiernan
Mr Marlborough
Mr McGinty
Mr McGowan
Ms McHale
Mr Pandal

Mr Riebeling
Mr Ripper
Mrs Roberts
Mr Thomas
Ms Warnock
Mr Cunningham (*Teller*)

Noes (30)

Mr Ainsworth
Mr Baker
Mr Barnett
Mr Barron-Sullivan
Mr Bloffwitch
Mr Board
Mr Bradshaw
Mr Court
Mr Cowan
Mr Day

Mrs Edwardes
Dr Hames
Mrs Hodson-Thomas
Mrs Holmes
Mr House
Mr Johnson
Mr Kierath
Mr Marshall
Mr Masters
Mr McNee

Mr Minson
Mr Omodei
Mr Prince
Mr Shave
Mr Sweetman
Mr Trenorden
Mr Tubby
Dr Turnbull
Mrs van de Klashorst
Mr Osborne (*Teller*)

Pairs

Mr Graham
Mr Bridge

Mrs Parker
Mr Wiese

Question thus negatived.

[Questions without notice taken.]

MATTER OF PUBLIC INTEREST - NURSING HOMES

Federal Government's Policy

THE SPEAKER (Mr Strickland): Today I received within the prescribed time a letter from the Leader of the Opposition in the following terms -

Pursuant to Standing Order 82A I propose that the following matter of public interest be submitted to the House for discussion today.

That this House condemns the Federal Government's changes to nursing home policy and calls on the State Government to join with the Opposition in lobbying for the changes to be scrapped.

The matter appears to be in order. If sufficient members agree to this motion, I will allow it.

[Five members rose in their places.]

The SPEAKER: The matter shall proceed on the usual basis, with half an hour allocated to members on my left, half an hour to members on my right, and five minutes in total to the Independent members, should they seek the call.

DR GALLOP (Victoria Park - Leader of the Opposition) [3.18 pm]: I move the motion.

It was interesting that this morning the Premier said on the radio two very significant things about major changes to nursing home policy in Australia. The first was that he believed that the changes had broad support. Secondly, he said that inasmuch as the Federal Government had failed in these policies it was not as a result of the content of the policy but of its selling of the policy. The Premier is totally out of touch with community feelings and with the views of the senior community about this issue. He adds insult to injury by saying that the only reason the Government is opposing the changes is that they have not been properly explained to it by the Federal Government.

The changes have been explained to people. They know what they are and they do not like them. They believe the changes would undermine certain fundamental principles that have existed in the aged care industry in Australia over the years. For that reason they want these changes scrapped.

These are bad policies that are causing enormous stress and anxiety among senior citizens throughout the State. It is incumbent on all members of this Parliament to put pressure on the Federal Government to reverse these changes.

We already know that as a result of community opposition to these changes, some members of the Federal Government back bench are already nervous about them. The question is: Will we support them and put pressure on the Federal Government, or will this Parliament give every indication to the Federal Government that it will be allowed to get away with these fundamental changes to aged care in Australia? Members should join with all those in the community who oppose these changes - the pensioners' associations, the aged care associations and the seniors' associations - and put pressure on the Federal Government. I am sure that through such a campaign we could see a reversal of policy on this issue. Thus far the Prime Minister has made it clear that he is not willing to change. He said today on the ABC that he would agree to fine tune the policy. However, like the Premier, he said it was just a question of selling the message better than it had been sold before. That is simply not good enough. We want to put pressure on the Government to change these policies.

Why do we want to change them? Two of the policies in particular have caused great concern in the community. The first is the accommodation bond. Anyone with assets of more than \$22 500, including the family home, must pay an up-front entry fee to nursing homes. There is no upper limit on the entry fee.

Mrs van de Klashorst interjected.

Dr GALLOP: Where is the mistake?

Mrs van de Klashorst: There are different ways of paying. People do not have to pay it up-front; they can pay it over time.

Dr GALLOP: The member for Swan Hills is fudging the central issue.

Mrs van de Klashorst: No, I am not.

Dr GALLOP: Indeed, she is. If the member for Swan Hills supports these changes, the Opposition is happy to send out a leaflet in her electorate to let all the people there know where she stands on this issue. She should feel free to comment at any time in this debate.

There is no upper limit on the entry fee. The only requirement is that people be left with \$22 500 of assets after the fee is paid. The nursing home is allowed to obtain \$2 600 a year of the entry fee, to a total of \$13 000 after five years, and to keep the interest earned from the investment of the entry fee while the person is in the nursing home. The accommodation bond that is now required on a means tested basis for people going into nursing homes has been one of the major issues of concern in the community.

The second policy is the introduction of the new extra daily fee for people in nursing homes. From 1 November all residents will have their income tested to assess their liability for these new extra daily fees. The Department of Social Security has developed an 18 page questionnaire to probe back over five years and assess all financial transactions of aged people who are going into nursing homes. All gifts or disposals of assets made in that time can be deemed to be still earning income.

I will put this into context. People go into nursing homes because they are clinically assessed by aged care assessment teams as requiring that form of treatment. It is quite different from a decision to go into a hostel or a seniors' village. They are assessed as having the required level of disability to go into a nursing home. They are people who are frail and who are particularly subject to stress. Of course, this is a major issue that has been raised in the community about this matter. The extra fee is 25¢ of every dollar of private income they have over \$50 a week. The maximum extra daily fee the facility can charge is \$34 a day.

Let us be clear about this: This money goes to the Government. It is not like the accommodation bond that is put into a fund by the nursing homes. The Howard Government is applying a death tax on senior citizens. Let us go through the issues that are raised by these policy decisions and address the reasons this State Parliament should oppose this policy.

It is interesting to note that over 70 per cent of all pensioners have only one asset - the family home. Selling it will therefore be their only choice. Only a spouse or family member who is a carer on a pension and who has been living in the home for five years will be exempt from the accommodation bond. There are no protections for senior single people, although no less than 90 per cent of people who go into nursing homes have been living alone. I suggest that all members of the government parties and Independents in this Parliament read the report on the inquiry that was conducted by the Federal Parliament into the proposed changes. This inquiry report, which contains a range of recommendations, makes clear the problems involved in these policies. The report states -

The Council on the Ageing . . . argued that the sale of a home in order to enter a nursing home 'signals to the older person that they will never be able to return to normal life in the community. This may have consequences for the morale and life expectancy of older people.'

That is what the Council on the Ageing thinks about the policy that will virtually force most pensioners to sell their only asset, the family home, in order to pay this bond. Let us remember what the Prime Minister said about this issue when it was first raised. When he justified this policy during the election campaign he said people would not be forced to sell their homes. The truth has come out and the truth is the basis for the mobilisation of community opinion on this issue.

I turn to the second implication of the accommodation bond. There is no upper limit on the entry fees. They could be over \$100 000. Eastern States newspapers have contained stories about unscrupulous nursing home providers asking aged people to pay as much as \$250 000 in entry bonds. It is in the interests of nursing homes to get as much money in that bond as possible because they can use the interest on that for their nursing homes. The practical reality is that these entry bonds will create a two-tier system of nursing home care in Australia. Residents who pay, for example, \$30 000 for a nursing home bed may find themselves shifted to another room with cheaper and fewer facilities as soon as a higher bond paying person is admitted. Those with the most assets will find themselves at the head of the queue in their negotiations with nursing homes. Those with few assets - or worse, with no assets - will find themselves at the end of the queue.

Even worse, although the Government claims that 27 per cent of nursing home beds will be reserved for those who cannot afford to pay a bond, that will apply across a wide region - not to individual homes. The temptation for homes will be to take as many fee payers as possible. The result of that will be five star homes in wealthy areas and low grade homes in poorer areas.

A matter raised by my colleague the member for Armadale was that when the federal department considers the provision of aged care on a regional basis, the ability to provide a range of care in any individual nursing home or hostel situation is restricted. Dale Cottages (Inc) in Armadale have faced that problem as a result of this regional policy.

Two types of nursing homes will develop in this State through this policy: We will have nursing homes for the poor and those for the rich. A great Australian quality has been the common approach to nursing homes and the respect shown for people's citizenship as they enter their final years and need nursing home care. This tradition has previously led to equal treatment. When changes were first introduced to the system, and aged care became a major issue in Australian politics, a dramatic improvement in the equality of care occurred throughout the community.

Surveys of nursing home entry fees in Sydney have found that the lower end of the entry fee spectrum - that is, \$30 000 - is concentrated in its application to the lower socioeconomic areas. Inevitably, this will mean that homes in poorer areas will have fewer funds available to improve and maintain services and the standard of accommodation.

Also, we must consider the problem of country nursing homes. This was the one issue the Minister for Health raised in his response to a question on this subject in Parliament. He said that in country Western Australia no proper provision was made for a growing need. One of the issues I picked up in my regional audit of government services, certainly in the Pilbara and Kimberley regions of the State - where many elderly citizens are retiring and not simply moving south - is a new demand emerging for aged care facilities, including nursing homes. This issue must be addressed by the Federal Government, but thus far it has not produced any solutions to that problem.

In continuing my assessment of the accommodation fee, it is important to note that it will not necessarily have its intended effect. A serious catch 22 is involved. Only those homes which pass a building inspection can charge an entry fee, but to pass that inspection they must have a minimum standard of buildings and services. Therefore, homes which need the upgrades will not be able to raise the capital needed. A catch 22 situation will develop in the upgrading of our nursing homes. The Government's view that the accommodation fee will be the solution to the need for the upgrade of nursing homes is based upon a false assumption.

The second basis which causes that assumption to be false is outlined very clearly in the following article by Francis Sullivan from the Australian Catholic Health Care Association, which appeared in *The Sydney Morning Herald* -

Figures indicate that nearly 50 per cent of nursing home residents stay for less than 12 months and that 60 per cent are direct hospital referrals. These people either die, return to hospital or occasionally to their family. Under the Government's new up-front bond arrangements, regardless of the size of the bond, the nursing home can only use \$2 600 plus interest annually. This limited benefit to the home is out of proportion to the effort and trauma associated with raising the bond. These people should not be required to pay an up-front bond.

That is a damning indictment of the Federal Government's assumptions underlying its policy by someone who knows what is going on in the aged care industry throughout Australia. The accommodation bond will cause real stress to elderly people who will be forced to sell their family home. They will find no upper limit on the money the nursing home proprietors will want to be provided for the bond. It may be that insufficient funds will be generated on the

interest earned to be directed into nursing home improvements; indeed, that is if the nursing home survives the accreditation test in the first place and is able to put down a bond for those who enter. That article is a decisive criticism of the Government's logic.

Let us now consider the second part of the Government's package; namely, income testing. From 1 November, nursing home residents who have striven for financial independence - that is, part pensioners and self-funded retirees - will be income tested. This is the first time in Australia's history that a Government has introduced an income test to determine fees for a nursing home or hostel.

Mr Baker: What about the means test for the age pension? What about the number of persons who had to sell their family home to fit within your means test guidelines?

Dr GALLOP: I mentioned nursing homes and hostels, not pensions, my friend.

On top of the full basic daily fee of \$26.40, these people will be taxed 25¢ in the dollar for every dollar they earn over \$50 a week for singles, or \$88 for couples. Under the previous scheme, all nursing home residents were treated equally as everyone was charged the same amount regardless of their financial status. The maximum residents were charged under the former scheme was \$26.40 a day, or about \$185 a week. This represented about 87.5 per cent of their pension plus rent assistance, or the equivalent for non-pensioners. In contrast, the maximum residents will pay under the new scheme can be more than double the previous situation; that is, \$63.30 a day or about \$443 a week.

The impact of the new tax cannot be overestimated. No less than 35 per cent of nursing home and hostel residents are part pensioners. Through the new tax, the Federal Government is insulting people who have struggled and saved for their independence. In effect, this scheme is a de facto death duty imposed by the Federal Government.

Why do members opposite not join the Opposition to apply pressure on the Federal Government to try to change this scheme? It is interesting to note that where the Queensland Government provides nursing homes, it will not be imposing these entry fees. Certainly, the Borbidge Government has made a clear statement about the way it reads the politics of this issue. We have government-provided nursing homes in this State, particularly in the non-metropolitan areas: The Minister has one in Albany, as does the member for Bunbury in his electorate. What are the Minister's views on charging fees to these people, especially given the policy of the Queensland Government?

An area causing heartache is the retrospectivity of the fees. The income testing of residents will include assets they have given away or sold in the previous five years. Therefore, assets gifted or transferred to family members will be deemed income and will be regarded as still belonging to the resident.

Mr Baker: That was the device you inserted when you means tested the age pension.

Dr GALLOP: The member for Joondalup can defend the policy all he likes; that is fine. We are happy to see the member support the policy.

The DEPUTY SPEAKER: Order! A little order members!

Mr Baker interjected.

The DEPUTY SPEAKER: Order! I advise the member for Joondalup that it is most disorderly to carry on conversations across the Chamber. It is even more disorderly to continue to interject when I call order. I ask the member to cease.

Dr GALLOP: The changes from the Federal Government have come on top of increased pharmaceutical charges, a decline in the number of doctors who are bulk billing - that is becoming a big issue in our community - and the necessity for hostel residents to purchase their own toiletries and incontinence aids. Also, this policy is applied on top of the State Government's increase in taxes and charges on public transport and financial transactions and, of course, the destruction of the Keating Government's dental assistance scheme.

This is how the Howard Government is treating the aged in our community in the period of their life when they must enter a nursing home. These people are subject to real stress and trauma as they are nervous about their future prospects, yet they need to be treated with the greatest respect possible. The Federal Government has produced an 18-page questionnaire, and has applied new fees and an accommodation bond which will force them to sell their homes. These imposts are on top of the increased costs in the federal Budget and state government charges, which we estimate cost pensioners up to \$6 a week, or \$300 over a full year, which is more than the fortnightly pension of \$290 each for a married couple.

That is the national coalition's position on aged care, which has state government support. What does the Premier say? He says the Government supports the changes; the only problem is that the Government has not sold them very well. When people have a bad product, they cannot sell it. The elderly in our community are very smart. They read

these things and understand what is happening. Their opposition to these policies is based not on the fact that the policies have not been explained to them properly, but on the fact that they do not like the changes and do not support them. They are calling on the members of this state Parliament to join with them and put pressure on the Howard Government to reverse these changes.

MR MCGINTY (Fremantle) [3.41 pm]: I second the motion and draw attention to the fact that these significant policy changes will have an enormous impact on the aged people in our community, particularly those needing aged hostel, personal care or nursing home treatment. The policy is supported by members on the government side. The Minister for Health said last week in the Parliament that he supported the aged care package, albeit with some qualifications. The Premier said today that he supported the package but that it has been very poorly sold. These people are out of touch with what is happening in the community.

I want to develop the objections that the Leader of the Opposition has outlined. This package is causing concern, fear and alarm among our most vulnerable senior citizens. The Leader of the Opposition has addressed the question of the upfront fees, accommodation bonds, the requirement - and it will be a requirement - that people sell their family homes, and the fact that there is no upper limit on these fees. He also addressed the question of the prudential provisions for accommodation bonds, which have not been thought through, the extra fees that will be levied in the facilities and the introduction of an income test for nursing home fees. All those aspects have been adequately covered.

In the time available to me today I will take the Parliament away from those broad considerations which have been so adequately addressed during this debate and into the real world of a particular aged persons' hostel and tell the Parliament what is happening in that hostel. I will speak of the residents' fears, the depression that is setting in amongst those vulnerable old people, and the concerns of people for the future of that tremendous community facility which they have spent so much of their time and money building up. I will use as my case study the Italian Village in Fremantle. The magnificent facility came about as a result of many years of fund raising by the Italian community in Fremantle, with some support from the then State Government. It was opened in 1993. A lot of love, care and attention went into the construction of that beautiful facility. It was built as a stand alone ethno-specific hostel. It provides the sort of environment that, when my time comes to need aged hostel care, which I hope is a fair way away yet, I would like to spend my time in. It is in every sense an excellent facility. Its future is very seriously threatened. It has 38 residents in permanent care and two in respite care. Most of the residents come from non-English speaking backgrounds, mostly from Italy, as one might expect in Fremantle, although it also cares for people from the Netherlands, Greece, Croatia and Malta, to name but a few. They have written to the Prime Minister expressing their concerns about this aged care package. They wrote to the Prime Minister and the new Minister for Health and Family Services, Warwick Smith, that although they have concerns about prudential arrangements for the accommodation bonds, the residents' fee structure, residency agreements and so on, they are particularly worried about the loss of government subsidy, which could jeopardise the viability of their facility.

I will briefly outline the nature of their problem. The facility is designed to cater for a multicultural community in Fremantle. The old personal care subsidy tests, which determine eligibility for personal care and therefore the income of the hostel, placed a very high weighting on communications and whether someone had the ability or a difficulty in being able to communicate. This is obviously particularly acute for people from non-English speaking backgrounds. It is not just a question of whether they have had a stroke and cannot talk but also a question of their linguistic abilities. As people get older they desire to communicate in their mother tongues. The weighting applied to communication under the new resident classification scale, which determines the extent of the subsidy, takes away the enormous weighting that was placed on communications as an issue giving rise to personal care assessment. Under the old arrangements prior to 1 October, a maximum of 85 points out of a minimum requirement of 101 could be given to someone with communication difficulties. That meant that 84 per cent of all that people needed to be able to do to establish the need for a personal care subsidy was in communications.

Under the new arrangements which came into effect on 1 October, 0.83 points out of a minimum requirement of 10.61 points can be attributed to communication, which is 7.82 per cent; in other words, whereas, under the old arrangement, 84 per cent of the requirement for people to qualify for a personal care subsidy was in communications, it is now 7.82 per cent. That means that a majority of residents in the Italian Village will no longer qualify for a personal care subsidy. The number of current residents who qualified for a personal care subsidy under the old arrangements was 31. That will drop to 15 residents. It will take \$10 000 a month of government subsidies out of the Italian Village in Fremantle. That threatens the very financial viability of this great community facility.

I wanted to mention that because it takes us right down to the worries of people in the hostels about various elements of this package. The loss of \$10 000 a month is a body blow to this institution. Its operational income comes from two sources - residents' fees and government subsidies. At present it is operating at a break-even point. If we take \$10 000 out of government subsidies, only one thing can happen - the residents will end up being sluggish. They

cannot afford it; it is as simple as that. They say in their letter to the federal Minister that this change will plunge their facility into a serious financial predicament. They also refer to the effect on the residents and the growing sense of uncertainty. They write -

Although we are not in the habit of discussing individual cases, we feel obliged to mention, however, that one of our residents has become profoundly depressed, over financial concerns, since receiving notification that residential fees will now be income and asset tested. In this particular case, the situation has been exacerbated by the media coverage of the recent suicides of elderly people unable to come to terms with the changes.

For all these reasons, this resolution should be supported by the House to send a loud, clear message to Canberra that this is not acceptable.

MR PRINCE (Albany - Minister for Health) [3.50 pm]: First, I will correct some misconceptions and give members some of the facts on the Commonwealth's residential aged care reform because far too much myth is being perpetrated and far too much of a scare campaign is being waged by members opposite on the frail and elderly of the community.

In summary, the major elements of the Commonwealth's residential aged care reforms are -

The coalescence of aged persons hostels and nursing homes into a single residential aged care program.

It is de facto in existence anyway and it should have been recognised for some time. To continue -

A distinction between high and low levels of care and a requirement for ACAT -

That is, aged care assessment team -

- assessment for a person to move from a low level to high level of care.

If my memory serves me correctly there were five criteria for hostels and seven for nursing homes, or the other way around, and they were not the same. It is ludicrous that that should have been the position. There is now one set of assessments for going into either a hostel or a nursing home. The summary continues -

Residential care providers are now able to receive means tested accommodation bonds. Mandatory prudential arrangements have to be put in place.

The Commonwealth will pay a concessional residential supplement for people unable to afford to pay an accommodation bond.

Resident daily fees will be means tested. The Commonwealth will set the maximum fees which can be charged.

For those residents who are required to pay more than the equivalent of 85% of the aged pension the Commonwealth will reduce commensurately the level of its benefit.

A new 8 scale resident classification instrument has been introduced which gives higher cost weighting for the care of people with dementia and accompanying behavioural dysfunction.

That is long overdue. To continue -

A new comprehensive accreditation certification process. This accreditation system will be the responsibility of an independent National Aged Care Standards Agency.

A proportion of places have to be provided for people who are financially and socially disadvantaged and for special needs groups.

All providers of residential aged care must offer an agreement to the care recipient prior to the commencement of service and the agreements are to include levels of care, services provided, and the amount of any bond and terms and conditions of payment and refund.

That is a summary and none of it has been put out by members opposite or their colleagues in the federal opposition. Members opposite have been running a deplorable scare campaign on the most frail people in our society.

The following information relates to accommodation bonds -

Since 1/10 residential aged care facilities have been able to charge accommodation bonds.

That is something that has been flagged for some time; it has not come out of the blue. To continue -

However the individual has to be left with retainable assets of \$22,500 (single person) or \$45,000 (married person).

The amount of the Bond will be a private arrangement between the facility and the Resident.

Assets assessment for the purpose of determining a Bond will also be a matter between the facility and the Resident.

I will come to what the federal Minister said in a moment. To continue -

This assets determination may include the sale of the individual's home but only if there is no spouse or other dependent living in it.

A Bond will not apply to a Concessional Resident.

Residents will have 6 months to pay the Bond although facilities can charge interest on the Bond from the day of admission.

A Resident staying less than 3 months can be charged a minimum amount equivalent to 3 months Retention, plus interest.

Residents can be offered the choice of paying a Bond, an equivalent monthly or weekly fee, or a combination. That is an up front lump sum is only one option.

Members opposite have never said that. To continue -

Facilities are required to participate in a Prudential Scheme . . .

The bond's security is absolute. There will be a sliding scale of retention rates. To continue -

The Retention amount may be deducted each month for a maximum of 5 years, and is indexed.

The maximum amount that can be retained will be \$13,000 over 5 years for bonds over \$26,000.

Members opposite have never said any of this. The following applies to resident fees and income testing -

Income testing for the variable daily fee will commence on 1/11/97.

Letters have gone out to that effect.

Several members interjected.

Mr PRINCE: I agree. The 18 page form is deplorable. It should be far easier than that. To continue -

All residents will continue to pay a basic daily resident fee.

Pensioners will not longer receive Rent Assistance as a direct payment. It will now be paid direct to the facility.

That simplifies matters greatly for the facility, not to mention the plethora of accounts that otherwise have to be run by individuals and the worry caused to pensioners by that. To continue -

However, Part Pensioners and Non-Pensioners will now have to pay an additional income Tested fee of 25c for each dollar of income above \$50.00/week (\$88 combined for married couples).

The maximum resident fee will be \$63.30/day (indexed) or the cost of care, whichever is the lower.

Income will be assessed by the Department of Social Security or Veterans' Affairs using Pension rules . . .

Again, this is a summary and none of this has been said by anybody opposite. It amounts to, and it is something members opposite will not want to hear, the fact that members opposite are the most monumentally hypocritical people ever in political life in Australia. They are extraordinary.

The former federal Labor Finance Minister, Ralph Willis, said -

New funding arrangements were introduced in January 1989 which enable hostels to charge residents entry contributions -

Have members opposite not heard that before? To continue -

- and ongoing fees according to their ability to pay.

Have members opposite not heard that before? To continue -

Under these new arrangements hostels can receive higher fees -

Have members opposite not heard that either? To continue -

- from non-financially disadvantaged residents who are better placed to contribute to the costs of their care.

One would think that what has come out by way of federal government policy is new. All of what I have just said was Federal Labor Government policy on frail aged hostels in 1989 and there is practically no difference between them and nursing homes. Ralph Willis also said -

A range of protections are in place to ensure that all residents retain a set amount of their assets and level of disposable income. These measures are intended to ensure that individuals are protected from any form of financial exploitation.

That is what Ralph Willis said about frail aged hostels in 1989. Further, he said -

The abolition of the subsidy to those not financially disadvantaged will enable Commonwealth funds to be targeted to financially disadvantaged persons needing hostel care and on those needing a higher level of personal care.

That is exactly what is happening in nursing homes.

Dr Gallop interjected.

Mr PRINCE: Does the Leader of the Opposition want to talk about the Federal Government taking money? For five years the Federal Labor Government took 75 per cent of the capital out of the nursing home sector. It reduced the amount it was paying to nursing homes by 75 per cent over five years. When Howard and his team came to power that was the crisis they faced and they have to fix it up. It was the Labor side of politics that created the problem. Furthermore, the Labor Party had established the precedent of how to fix it. It did it in 1989 through Ralph Willis, and full marks to him.

I quote what the Prime Minister, Hon John Howard, said in Federal Parliament yesterday -

The simple truth is that our nursing homes policy was almost a direct steal of their hostels policy. The only difference between the circumstances is that in 1989 when their policy was introduced the then opposition did not run a deliberate campaign of fear and loathing amongst the elderly of Australia. Our spokesperson at that particular time did not go to every nursing home telling lies about the policy of the then government. Our spokesman did not go around the rest of Australia dishonestly representing what we were going to do.

Having introduced an accommodation bond and having introduced higher fees for residents of hostels, the Labor Party then proceeded over a four-year period to systematically and cold-bloodedly cut by 75 per cent the money going into nursing homes in Australia.

That is the reason that when Howard came to office last year he had a crisis. The Labor side of politics caused it. It had no care for the elderly of our society and it bankrupted Australia as it bankrupted this State, Victoria, South Australia and everywhere else where it had its hands in the till. There was no money to fix the problem. In question time members opposite were asked where did the \$450m go for PICL. There is absolutely nothing to show for it. In imposing a similar policy we have to get the capital back.

Over 10 years the accommodation bonds are designed to bring capital back into the nursing home system. Members opposite have not spoken about the problems that exist in the nursing home sector across Australia. They are significant problems. A great number of nursing homes, because of reduced capital over quite some time, have suffered an enormous increase in difficulty in being able to function. There has been no progressive increase in the commonwealth funding related to average dependency of residents. The people who are going into nursing homes and hostels today are more dependent than were the people of 10 or 15 years ago, yet there has been no change in the funding formula. Members opposite were in power for 5 000 days while this was happening. The failure of the commonwealth benefit scales for nursing homes and hostels to recognise adequately the high costs for people with dementia has caused significant problems.

Increases in input costs have not been able to be offset by commensurate productivity improvements. In this State, this problem has worsened over the past 12 months because of the refusal of the Commonwealth to adjust its personal care - CAM - funding to nursing homes to take account of the recent round of increases in nurses' pay.

The reason that nursing homes have not been assisted in alleviating these problems is that the former Labor Government bankrupted Australia when it was in office. The requirement that nursing homes charge residents a daily

fee has not provided them with adequate income to maintain and improve their facilities. These problems resulted from the policy of the former Federal Labor Government, and these are the problems that our side of politics is fixing up.

Mr Riebeling interjected.

The DEPUTY SPEAKER: Order! I am having difficulty hearing the Minister, and I am sure Hansard is also having difficulty. Interjections are disorderly, and when we have six or seven interjections at the same time, we have chaos. I ask the members on my left to listen a bit more rather than interject.

Mr PRINCE: There is no acknowledgment by the Labor side of politics that Australia-wide some 40 per cent of residents in nursing homes share a ward with four or five people, and that 11 per cent of nursing homes do not meet fire standards and 15 per cent do not meet health standards. That happened during the former Labor Government's 13 years in Canberra, because aged care has been a commonwealth responsibility, yet members opposite have the gall to move a motion to condemn a Government in Canberra that cares and that is fixing the mess that was made by the Labor side of politics. Many people in nursing homes are living in rooms with rows of four, six and even eight beds - a situation that should have been consigned to the scrap heap years ago. Members opposite astound me.

The change in commonwealth policy will result in an improvement in the quality of nursing homes and an improvement in dementia care, both of which will take time, unfortunately. It will result also in increased funding to provide care for people who are financially disadvantaged, because there should be no distinction between people with regard to the quality of care that they receive. However, people who can pay should pay.

I have some concerns about the Commonwealth's claim that rural and remote areas will be better served, as I said last week, and as I have said publicly a number of times. In my view, the population of rural Western Australia - it may be different in other States - is not sufficient to raise the money from accommodation bonds that is required to improve the capital backing and infrastructure of many aged care facilities in country areas. The agricultural area, about which my friend the member for Avon will speak in a minute, is one area; and the Leader of the Opposition, to his credit, mentioned the Pilbara and the Kimberley, which is another area which, although not similar to the agricultural area, is experiencing some of the same problems. The \$10m that will be made available Australia-wide could be spent in Western Australia, probably within a couple of years, and even that would not be enough. That is a matter that I have taken up and will continue to take up with the new federal Minister and the federal authorities.

I wholeheartedly reject the motion. It is a disgraceful motion to bring before this Parliament, given the appalling record of the Labor Government federally and in the States.

Amendment to Motion

Mr PRINCE: I move -

To delete all words after "condemns" with a view to substituting the following words -

the Australian Labor Party for opposing the extension to nursing homes, by the present Federal Government, of the policy of the former Federal Labor Government relating to frail aged hostels.

MR TRENORDEN (Avon) [4.04 pm]: I second the amendment. Changes need to be made to aged care. For many years, we had an appalling policy where people would go into institutions and be moved as they got older, as they got less mentally stable, and as they got sicker. The new policy will allow people, in the vast majority of cases, to remain in the same facility until they die. That is what the policy should have been a long time ago, and that is what it will be in the future.

I give the Federal Government an additional tick for increasing funding for dementia care by 30 per cent. I have had a fair bit to do with aged care. I established one nursing home in Northam with 40-odd beds, and that was a long battle.

Mr Marlborough: How did you establish it?

Mr TRENORDEN: I approached the Federal Government and asked Senator Richardson to change the federal policy, and the state Minister - it commenced in the Labor Government's time but was concluded in our time - changed the state policy so that federal and state funds could be put into the one institution, which was set up in Northam. I have had a long experience in dealing with these matters.

Those members opposite who have had anything to do with dementia care will know that it is a serious problem, yet not one member opposite has mentioned the 30 per cent increase in funding for dementia care. People with dementia need specialist care.

The Minister has rightly pointed out that the glaring hole in this policy is that the \$10m a year for four years that will be put aside in Australia to provide capital for nursing homes that are unable to meet their capital needs under the new policy is woefully inadequate. A rural nursing home in Western Australia may have a maximum of 10 beds and seven or eight occupants who are there for one or two years before they pass on and enable the nursing home to raise the bond money; and, even if they do raise that money, that will not provide that home with sufficient capital to maintain itself. One does not have to be a financial genius to work out that that is the biggest and most serious flaw in this policy.

I cannot argue about some of the issues that have been raised. It is true that the people who are going into nursing homes today are the people who built this nation over the past 50 years, who fought in the Second World War, and who paid taxes. It is true that those people established their homes, brought up their families in those homes, and loved and bonded with their spouses and children in those homes; therefore, their homes have special meaning for them. It is true also that in many country towns, the community has put hundreds of thousands of dollars into providing facilities for aged people. The people who have been prudent throughout their lives and have saved are the people who are being asked yet again to put their hands into their pockets. The bottom line is that under this policy we are asking people to pay around \$50 a week for their accommodation, plus the interest lost. If the bond is \$100 000, the contribution will be \$100 a week for accommodation. No-one in this room would argue if a pensioner had to pay \$100 a week for accommodation out in the community.

Mr Marlborough: I would.

Mr TRENORDEN: The member would not, because usually pensioners pay well above that.

Mr Marlborough: These people need permanent care.

Mr TRENORDEN: I know; that is just the point. The \$50 a week that comes out of the \$2 600 a year that is taken out of the bond will pay for only a small portion of the aged care. People cannot pay any more than \$13 000 in total, plus the lost interest. The Federal Government is asking people who have the money to pay that amount. I can understand the passion of people who do not want to lose their family home. However, they have the opportunity to pay the fee fortnightly or weekly; their family can pay; or they can rent out their house or borrow against the house. Those are options that people can take if they wish to.

The bottom line is: Do we ask taxpayers to subsidise the people who will inherit the money that is left when these pensioners pass on? Should current taxpayers pay extra taxes so that when these people pass on, their dependants get an inheritance?

Mr Prince: Death duties are a policy of the Labor Party's left wing.

Mr TRENORDEN: That is right. Death duties are not a part of our system. Unfortunately this matter is mostly about emotion. I concede immediately that members opposite have won the emotional debate. However, they are bankrupt in their argument because this policy was their policy that the Federal Government stole.

MRS van de KLASHORST (Swan Hills - Parliamentary Secretary) [4.12 pm]: I welcome the opportunity to speak in this debate. I support the amendment. Several years ago my mother sold her home to pay to get into a hostel. Therefore, I have had personal experience that people, especially elderly people, must make some provision, if they can afford it, for their retirement or later life. A Labor Federal Government encouraged people to look at superannuation and to provide for themselves in their later life. That is what much of this policy is about.

I share the Minister's views on this matter. I am cross about the untruth, distortion and misinformation that is being spread by the Labor Party in debate on this motion. It is disgusting. It is making elderly and frail people upset and cross. What the Opposition is doing is a disgrace. It is not trying to help the elderly. The Opposition pretends to care for the elderly, but it is doing exactly the opposite: It is frightening the elderly to death. Opposition members talk about the Government's being out of touch with the community. I will read to the House comments by the former federal Minister for Family Services, Hon Judi Moylan, about all the people who supported the Bill. She is recorded in federal *Hansard* as stating that Betty Johnson from the Australian Pensioners and Superannuants' Federation said to her -

Your concern for low income residents and your quick action is greatly appreciated.

She states that Dr Keith Woollard from the Australian Medical Association says -

The aged care reforms . . . is one way which Australia can come to terms with the massive increase in demand for quality accommodation and care of our ageing population. Now we have a government that is willing to make a tough decision that will ultimately benefit all aged care residents by providing proprietors of these facilities no excuse not to improve standards.

Hon Judi Moylan says the Australian Nursing Homes and Extended Care Association Ltd states -

Today's introduction of the aged care reforms is the culmination of many months of consultation between the Government, service providers, consumer organisations and unions.

The unions are the Opposition's people. To continue -

The resultant reform package will herald change in the delivery of aged care (and we are) confident that the changes will be for the better.

Denis Jones from the Australian Nursing Federation is quoted by Hon Judi Moylan as saying -

Mrs Moylan has made a genuine effort to consult all groups involved in the massive overhaul of nursing homes.

Several members interjected.

The DEPUTY SPEAKER: Order! The Hansard reporter has again said she cannot hear the person speaking. Once again, three, four or five people are interjecting at once. Let us keep it a little more orderly. The member should address her comments to the Chair, as she is doing, and not take any interference.

Mrs van de KLASHORST: Hon Judi Moylan continued to quote support from the following people -

Ashleigh Lodge Private Nursing Home:

We support your aged care reform package and appreciate the fact that you have listened to the sector and you have actually heard what we are saying.

Political reporter, Fleur Bitcon, National Nine news coverage:

The Aged Care Bill is the most important piece of legislation since the government and the Democrats combined to pass the industrial relations reform.

Senator John Woodley, the Australian Democrats aged care spokesman:

We now have an agreement which has the stamp of approval from the three main church providers of the aged care facilities. I am confident that this improved package will deliver a better standard of care for Australia's ageing population.

Finally, Mr Gary Johns, a former Labor minister, on *PM*:

The policy is correct. We'd already done it in hostels. I think it would only be a matter of time, if we'd remained in government, that we would have imposed it for nursing homes as well. It's logical. It's fair. It's reasonable.

The Labor Government's performance in aged care was abysmal. In 1992 the Labor Government allocated \$45m for nursing home capital purposes. By 1995-96 this amount had dropped to \$10.7m - a 75 per cent reduction in capital funding. Remember, the Labor Party cares about the aged! Even worse, only \$2.7m of that amount was for upgrading old and substandard services; the rest went to new services. The Labor Party had an abysmal record on funding aged care when it was in office.

When the Howard Government was elected it found that that sector had been neglected, just as the coalition in this State found when it won office that the schools were in a mess. I have spoken many times on this matter. For new members who have not heard this before I repeat: I used to work in a library at a school. Teachers would come to me with materials to be repaired and ask which they could have repaired, because the Labor Government was not providing funds for repairs. I support the amendment.

MRS HOLMES (Southern River) [4.18 pm]: I will add to this debate a couple of facts I have been given, which are interesting. At the moment over 50 per cent of people who go into nursing homes sell their homes. Ninety-three per cent of people who go into nursing homes and hostels are single people and over 50 per cent of them sell their homes. That is a relevant point because the scaremongering about their having to sell their homes to go into hostels and nursing homes is rubbish.

Another important point members may find interesting is that, alternatively, the option is available for people to have their bond taken out as a debt against their estate.

Several members interjected.

The DEPUTY SPEAKER: Order!

Mrs Roberts: The estate does not get any interest on the money.

Mrs HOLMES: Accommodation bonds are not fees; bonds are refundable.

Several members interjected.

Mrs HOLMES: It is the same as rates. Rates must be paid from a person's estate; everyone must pay.

My point is that people are already selling their home before they go into a hostel, and this can be paid from their estate.

Amendment (words to be deleted) put and a division taken with the following result -

Ayes (33)

Mr Ainsworth	Dr Hames	Mr Nicholls
Mr Baker	Mrs Hodson-Thomas	Mr Omodei
Mr Barnett	Mrs Holmes	Mr Pandal
Mr Barron-Sullivan	Mr House	Mr Prince
Mr Board	Mr Johnson	Mr Shave
Mr Bradshaw	Mr Kierath	Mr Sweetman
Dr Constable	Mr MacLean	Mr Trenorden
Mr Court	Mr Marshall	Mr Tubby
Mr Cowan	Mr Masters	Dr Turnbull
Mr Day	Mr McNee	Mrs van de Klashorst
Mrs Edwardes	Mr Minson	Mr Osborne (<i>Teller</i>)

Noes (18)

Ms Anwyl	Mr Kobelke	Mr Riebeling
Mr Brown	Ms MacTiernan	Mr Ripper
Mr Carpenter	Mr Marlborough	Mrs Roberts
Dr Edwards	Mr McGinty	Mr Thomas
Dr Gallop	Mr McGowan	Ms Warnock
Mr Grill	Ms McHale	Mr Cunningham (<i>Teller</i>)

Pairs

Mrs Parker	Mr Graham
Mr Wiese	Mr Bridge

Amendment thus passed.

Amendment (words to be substituted) put and a division taken with the following result -

Ayes (33)

Mr Ainsworth	Dr Hames	Mr Nicholls
Mr Baker	Mrs Hodson-Thomas	Mr Omodei
Mr Barnett	Mrs Holmes	Mr Pandal
Mr Barron-Sullivan	Mr House	Mr Prince
Mr Board	Mr Johnson	Mr Shave
Mr Bradshaw	Mr Kierath	Mr Sweetman
Dr Constable	Mr MacLean	Mr Trenorden
Mr Court	Mr Marshall	Mr Tubby
Mr Cowan	Mr Masters	Dr Turnbull
Mr Day	Mr McNee	Mrs van de Klashorst
Mrs Edwardes	Mr Minson	Mr Osborne (<i>Teller</i>)

Noes (18)

Ms Anwyl	Ms MacTiernan	Mrs Roberts
Mr Brown	Mr Marlborough	Mr Thomas
Mr Carpenter	Mr McGinty	Ms Warnock
Dr Edwards	Mr McGowan	Mr Cunningham (<i>Teller</i>)
Dr Gallop	Ms McHale	
Mr Grill	Mr Riebeling	
Mr Kobelke	Mr Ripper	

Pairs

Mrs Parker
Mr Wiese

Mr Graham
Mr Bridge

Amendment thus passed.

Motion, as Amended

Question put and a division taken with the following result -

Ayes (33)

Mr Ainsworth
Mr Baker
Mr Barnett
Mr Barron-Sullivan
Mr Board
Mr Bradshaw
Dr Constable
Mr Court
Mr Cowan
Mr Day
Mrs Edwardes

Dr Hames
Mrs Hodson-Thomas
Mrs Holmes
Mr House
Mr Johnson
Mr Kierath
Mr MacLean
Mr Marshall
Mr Masters
Mr McNee
Mr Minson

Mr Nicholls
Mr Omodei
Mr Pandal
Mr Prince
Mr Shave
Mr Sweetman
Mr Trenorden
Mr Tubby
Dr Turnbull
Mrs van de Klashorst
Mr Osborne (*Teller*)

Noes (18)

Ms Anwyl
Mr Brown
Mr Carpenter
Dr Edwards
Dr Gallop
Mr Grill

Mr Kobelke
Ms MacTiernan
Mr Marlborough
Mr McGinty
Mr McGowan
Ms McHale

Mr Riebeling
Mr Ripper
Mrs Roberts
Mr Thomas
Ms Warnock
Mr Cunningham (*Teller*)

Pairs

Mrs Parker
Mr Wiese

Mr Graham
Mr Bridge

Question thus passed.

JOINT STANDING COMMITTEE ON DELEGATED LEGISLATION*Twenty-seventh Report - Occupational Safety and Health Amendment Regulations (No 2)*

On motion by Mr MacLean, resolved -

That the report be printed.

[See paper No 793.]

BILLS (2) - INTRODUCTION AND FIRST READING

1. Environmental Protection Amendment Bill.
2. Environmental Protection (Landfill) Levy Bill.

Bills introduced, on motions by Mrs Edwardes (Minister for the Environment), and read a first time.

SURVEILLANCE DEVICES BILL*Second Reading*

MR DAY (Darling Range - Minister for Police) [4.34 pm]: I move -

That the Bill be now read a second time.

Under current Western Australian law an important tool available to police and other law enforcement agencies in the fight against organised and serious crime is the use of listening devices authorised under the Listening Devices

Act 1978. Primarily, the current legislation allows police officers to use listening devices to monitor and record conversations and use evidence gained thereby in criminal prosecutions.

In 1987 a committee was set up to review the Listening Devices Act with a view to legislative change. Several major problems were identified in that review and since. They are -

The Act has not kept pace with new technology - optical surveillance devices, such as video cameras, and tracking devices are not covered by the Act;

police are unable to enter premises to install devices in the absence of an express provision. This problem was highlighted in 1994 by the High Court's decision in *Coco v R*;

only the use and not the installation of an illegal device is penalised;

the penalties for unlawful use of devices are inadequate; and

the National Crime Authority cannot use listening devices.

The committee to review the Listening Devices Act recommended many changes to the Act. These changes have been incorporated into the Surveillance Devices Bill together with other provisions necessitated by new developments which have arisen since the committee submitted its report. For example, the reconstituted Anti-Corruption Commission has been given authority to use devices. The Bill follows extensive consultation. The need for this Bill did not escape the Government as it recognised that unless the legislation was carefully constructed undue intrusion into people's private lives could occur.

The basic form of the Bill is to prohibit covert and intrusive surveillance of private activities and private conversations by anyone except those sanctioned by judicial authority, and then only subject to certain conditions. Private activities and private conversations have been defined as those activities and conversations carried on in circumstances that may reasonably be taken to indicate that any of the parties desire it to be observed or listened to only by themselves. In that way, the Bill successfully balances the individual's right to privacy with the need for law enforcement officials to use intrusive methods to detect the commission of offences.

The Bill makes it clear that activities and conversations carried on in circumstances in which the parties should reasonably expect that they may be observed or overheard are not considered private. It is envisaged, generally, that activities carried on outside a building would not be considered private. For this reason, journalists and private investigators will be able to continue to undertake their lawful duties without fear of breaching the Act. Additionally, it is not intended to prevent law enforcement officers from using binoculars, telescopes and similar devices to observe suspected illegal covert activity in field situations; for example, fisheries officers who observe marron poachers at night on Wellington Dam. Even though the persons being observed are attempting to conceal their activity, such illegal fisher people should reasonably suspect that their activities may be observed.

Further, where a sign is present warning persons that their conversations may be taped, or that their activities may be filmed, these conversations and activities would not be considered private under the new legislation as parties could not then reasonably expect them to be so. For example, this allows police and prison officials to survey lock-ups and prison buildings, and shopkeepers to film their staff at work.

Surveillance devices are dealt with in three categories in the Bill: Listening devices, optical surveillance devices and tracking devices.

The Bill provides that it is an offence for a person to use a listening device to record a private conversation to which they are not a party and, if they are a party, it is an offence to record a conversation unless certain consent requirements are satisfied. Exemptions are provided for the police, the Anti-Corruption Commission and the National Crime Authority acting under warrant or emergency authorisation, officers acting under any Act of the Commonwealth and where a private activity is heard unintentionally.

The Bill also prohibits the use of optical surveillance devices to record or observe private activities to which the person is not a party. Where the person is a party to the activity, the Bill prohibits recording unless certain consent requirements are satisfied. Exemptions are again provided for the police, the Anti-Corruption Commission and the National Crime Authority acting under warrant or emergency authorisation, officers acting under any Act of the Commonwealth and where a private activity is seen unintentionally.

The Bill provides that a person must not use a tracking device to determine the geographical location of a person or object without consent. Exemptions are created for the police, the National Crime Authority and the Anti-Corruption Commission where acting under warrant or emergency authorisation, and officers acting under any Act of the Commonwealth.

The Bill regulates the circumstances in which publication or communication of records and reports of private conversations and private activities gained by the use of surveillance devices can take place. The provisions ensure that individuals' rights to privacy are protected.

Jurisdiction to grant warrants for surveillance devices is divided between magistrates and judges. Judges have jurisdiction over all surveillance devices, whereas magistrates have jurisdiction only with respect to tracking devices. Applications for warrants may be made by a member of the Police Service, an Anti-Corruption Commission officer or a member of the staff of the National Crime Authority. An application may be made to obtain a warrant on behalf of another law enforcement officer; for example, interstate police and the Fisheries Department.

A court may issue a warrant for a surveillance device only if it is satisfied that there are reasonable grounds for believing that an offence has been, or is likely to be, committed, and the use of the device would be likely to assist an investigation into that offence or suspected offence, or enable evidence to be obtained. The court must also consider a range of other matters, such as the nature of the offence, the extent to which the privacy of any person may be affected, the value of the information which may be obtained, and the public interest. There is provision in the Bill for authority to be given for the use of more than one type of device in a single warrant. To guard the privacy of individuals further, the Bill ensures that applications for warrants are not heard in open court and that records produced as a result of an application for a warrant cannot be disclosed, except by the direction of the court.

Warrants issued under the Bill will specify that where practicable the surveillance devices should be retrieved or rendered inoperable during the period the warrant is in force. In an emergency situation it may not be possible for police to obtain a warrant to use a surveillance device; for example, where police are faced with a siege situation or hostage crisis or where a drug offence is about to be committed. In such a case a very senior police officer, the chairman or any two members of the Anti-Corruption Commission or a person authorised for the purpose by the Chairperson of the National Crime Authority may give authorisation to use a device. If a person uses a surveillance device under an emergency authorisation, that person must deliver a report to a judge detailing the use of that device. The judge then has the power to order that records obtained by use of a surveillance device be brought before the court and may also direct that surveillance cease immediately.

The Bill creates offences and provides penalties for the unlawful use, installation or maintenance of surveillance devices; the unlawful communication or publication of private conversations or private activities; the possession of a surveillance device for unlawful use; the unlawful removal or retrieval of a surveillance device; and the failure to report the discovery of a surveillance device to the police.

In each case the penalties are the same - a \$5 000 fine and imprisonment for 12 months in the case of an individual and a fine of \$50 000 in the case of a corporation. In addition to the penalties provided, the court may order the forfeiture of surveillance devices used and records obtained by the use of a surveillance device. To assist with the enforcement of the prohibition against possession of a surveillance device for unlawful use, police have been given a power to search persons, premises and vehicles.

The Commissioner of Police and the chairperson of the National Crime Authority will be required to furnish annual reports to the Minister on the use of surveillance devices in this State. In the case of the Anti-Corruption Commission, reports will be furnished to the Attorney General. These reports will be tabled in Parliament.

Members of the Australian Federal Police, the Australian Security Intelligence Organisation and the Australian Customs Service have not been included within the scope of the Bill. In fact, a clause has been inserted to exclude these agencies so that, as a temporary measure, the status quo is maintained; that is, the commonwealth agencies will be afforded no powers under the Bill and will not be liable for any actions that constitute offences under it. The repeal of this clause will be considered after 12 months during which time it is anticipated that the Commonwealth Government will create legislation that complements the Bill. The obvious reason for considering the repeal of the clause is that it is desirable that all law enforcement officers operating within the State should be subject to the same constraints and prohibitions.

The Surveillance Devices Bill will greatly assist police and other law enforcement agencies in the detection and prosecution of offences through the use of surveillance devices. The Bill also provides restrictions on the use of surveillance devices in the interests of the privacy of citizens of this State. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

COUNTRY HOUSING BILL

Report

Report of Committee adopted.

Third Reading

Leave granted to proceed forthwith to the third reading.

DR HAMES (Yokine - Minister for Housing) [4.44 pm]: I move -

That the Bill be now read a third time.

MR MARLBOROUGH (Peel) [4.45 pm]: In supporting the Bill, the Opposition is aware that in many ways it is a new direction in assisting the rural sector. This Bill covers the old Rural Housing Authority and the Industrial and Commercial Employees Housing Authority, although under the old regime they acted independently. They provided different services. The Rural Housing Authority provided houses for farmers on farms and ICEHA purchased bricks and mortar around the rural sector.

The new legislation brings those two organisations together and under the new body the Government will provide the opportunity for farmers, rural employers and local government authorities to access moneys in one way or another to put in place appropriate housing infrastructure that might be required to keep a community on its feet - housing that obviously will be seen to be strategically important to the viability of a community while at the same time allowing families to remain together, particularly where they have been involved in farming. Usually the parents have retired and handed over the farm to other members of the family. Instead of moving away from the farming area, the parents can live in a nearby town so that the greater family can stay together.

For all of those reasons we support the general thrust of the legislation. However, as we stated in Committee, we will be looking very closely at the sorts of loan applications that are approved. I think the Minister has recognised the need for the Parliament to be able to do that by agreeing to the amendment moved by my colleague during Committee. We thank the Minister for accepting that amendment. It will allow for scrutiny of matters that may be contentious - loan matters where the Minister may determine to set different standards.

The Bill allows the Minister to set standards and, although the Minister has indicated he will not divert much from the set guideline of interest rates at 6.95 per cent, there might be a need from time to time to vary that and bring into play other conditions. Where the Minister determines to do so, the amendment will allow him to bring that before the Parliament so that it is aware of the rationale for it. The Minister accepted that this is in the interests of all parties involved. The Government has no intention of breaking away from the stringent guidelines, bearing in mind the broader application of this Bill which will change from a position of enabling farmers to build houses on farms to one in which money can be borrowed by local authorities, rural employees and people who want to run a farm as a business. I make those comments in support of the Bill.

MR BROWN (Bassendean) [4.51 pm]: It will be interesting to see exactly how successful the Country Housing Bill will prove to be. As we know, under this Bill the Country Housing Authority will be established, whose purpose will be to assist individuals, such as farmers who wish to house their employees, retired farmers, rural employees and local authorities, to provide houses for people in country areas. The interesting aspect of this Bill is the way the scheme is designed to operate.

As was said during the second reading and Committee debates, it is not a scheme that provides interest rates at a rate lower than that currently in the marketplace. Therefore, it does not provide a subsidy as such, and it is not a matter of allocating resources in the way one would normally when applying subsidies; that is, by imposing certain tests or strict eligibility criteria based on capacity to pay. Rather, I understand the interest rate will be the market rate, whatever it is from time to time. The Bill requires that the interest rate charged must be one that will cover the interest rate of any borrowings used to provide loans, as well as the other costs associated with providing that service; that is, the cost of making the loan, any bad debts and so on. It is anticipated that the interest rate available under the scheme to be operated by the Country Housing Authority will be the market interest rate. This poses the question: If it is to be the market rate, what is the purpose of the Bill?

I understand the purpose of this Bill is to enable people to obtain loans on properties on which they otherwise might not be able to obtain loans. For example, in areas in which the rural community is declining, banks might think there is a risk in providing a loan because of the potential for the real price of that housing to diminish as a consequence of any changes in population in that country centre. The benefit, therefore, available for people, organisations or local authorities that apply for a loan under these arrangements, is one that will guarantee a loan, if thought appropriate, that would not be subjected to the normal test by financial institutions about the likely future value of the asset for which the loan is provided. That being the rationale for this Bill, it will be interesting to see in two or three years' time the degree to which loans made available under this Bill have been able to assist either individuals or local authorities and so on.

I raised in the second reading debate the degree to which this Bill might be connected with an industry policy for the

State. Will this Bill be left to local initiatives for councils, farmers or local businesses in country regions to apply, or alternatively, will there be more focus on it than that, and will the Government try to have a strategic position in relation to given regions of the State to develop, encourage development or retain people in those regions or towns and use this Bill as part of that promotion? More particularly, will the Bill synchronise with an overall industry policy? Given the nature of the Bill, it is not obviously connected to the major projects contemplated in various parts of the State, particularly the north. However, it could be used to a lesser extent to promote the viability of certain towns that might be faced with a contraction of their population. Although I note from the Minister's second reading speech that there is to be a linkage with regional development commissions, it seems from the debates that that linkage is fairly indirect. It is not one in which regional development commissions will make very clear their requirements for investments or retention of housing in given regions to assist in the development of enterprises. Rather, it appears regional development commissions will be consulted, but their views will be one factor among many. There does not seem to be a direct link to industry policy. One might say it is a fairly low level scheme that will have in it, according to the Minister, \$20m. The average house is worth \$100 000, and that amount will provide housing for 200 people. Should all of that be directed towards an industry policy? Obviously not, because the Bill has more aspects than one being based on industry policy and macro objectives of the State. There is a potential for it to be more closely aligned than it might be.

I certainly understand the view about an opportunity for ex-farmers to reside close to their families and loved ones when they give up their farms and can no longer live in the area for one reason or another. This provides an opportunity for them to obtain a loan under this scheme. A factor to be borne in mind is that if, under the scheme, loans are advanced to enable retired farmers to purchase a property on the farm or in the town near the farm, they will need an income stream sufficient to be able to repay their loan. When we talk about retirees we might be talking about self-funded retirees or people who are receiving some form of pension or benefit from the Australian Government. However, the amounts that are generally available in such circumstances are insufficiently high to enable a loan repayment to be made.

Many people who have looked into the Government's new Homeswest housing policy offering people who are on benefits an opportunity to take out a loan to purchase some equity in a house have found they are not eligible to borrow sufficient funds to enable them to purchase 50 per cent equity in a residence. Following the advertisements on television I was approached by a tenant who said that the maximum amount she could borrow would not allow her to buy a house worth more than \$45 000. I do not know where she could buy a house for that much.

Dr Hames: \$45 000 is half of \$90 000.

Mr BROWN: I saw the letter from the people handling the matter on behalf of Homeswest. The inquiry was made by a single woman with two children, but from whose father she receives regular child support payments. Even taking into account the appropriate benefits she receives from the Australian Government, together with the amount the Family Court ordered her ex-husband to pay and which she has had no problem receiving, she could not borrow sufficient funds to consider even one of the lower priced homes in the metropolitan area.

Dr Hames: You are saying the maximum value of the house she could get was \$45 000, therefore she could afford only \$22 500?

Mr BROWN: That is what she was told in the letter.

Dr Hames: That sounds strange for someone receiving that amount of money in the light of the repayments required to pay off \$22 500 at roughly a 7 per cent interest rate. It is a bit unusual. I would like to see the figures. We do not want to put people into housing poverty so we will not encourage them if they cannot afford it. However, there are properties in rural areas that can be bought for \$45 000.

Mr BROWN: I agree that is the case. It would be different for retirees, but the difficulty for young families purchasing country properties is that the children eventually need to go to high school, which could mean having to travel or move to the city. Obviously over five or 10 years family circumstances can change dramatically and they might not be in the same financial position in years to come. However, in making a life decision, moving to the country would be a deterrent for younger families.

I am having the calculations checked by Homeswest to see if they are correct. I raise that in this context only to transpose that issue into this debate by saying that what we are talking about here is not the provision of a house but the provision of a loan to a retired farmer through the Country Housing Authority. That will mean that the retired farmer must be in receipt of an income stream sufficient to enable him to repay the loan.

Although current interest rates are favourable, in the longer term we expect interest rates to increase, albeit not by a great deal. The people more experienced in economic modelling predict that in the years 2000 and 2001 the inflation rate will move by about 2 to 3 percentage points. If that occurs and inflation reaches, even conservatively,

3.5 per cent or 4 per cent I doubt we will return to having a real interest rate of 2 per cent or 3 per cent; that is, an interest rate of only 3 per cent above the inflation rate. We have had a real interest rate of a minimum of 5 per cent for a long period.

Despite very low inflation of about 2 per cent or even less, as the Minister said the other day, base loans are still at about 6.95 per cent, a real interest rate of 5 per cent. Given our international trading position and all those other things, I do not believe that in the medium term our inflation rate will reach a real interest rate of around 2 per cent or 3 per cent. Those who have done the economic modelling suggest that is not likely.

The other matter concerns whether this scheme falls within the policy framework of a decentralisation policy, which was very much the flavour of the month some years ago. I think all sides in the political debate had a policy on decentralisation. However, it does not appear to have been given much emphasis recently. It will be interesting to see whether these changes will encourage people to remain in the city or move to country areas.

It will be interesting to see whether there is any connection between the people who take advantage of the provisions of this Act and the scheme recently announced by the Deputy Premier of incentives to relocate businesses to country areas. It will be interesting to do an analysis in a couple of years' time to work out whether the benefits of that scheme and the degree to which industry organisations or individuals have taken advantage of that scheme have taken advantage of this scheme in a two for one exercise.

I look forward to seeing what effect that has. This scheme will enable families to move to the country, rather than transferring just the breadwinner or a single person, and will allow families to remain together rather than forcing them to live in single quarters, and will maintain farming family ties. On that basis it will also be interesting to examine the degree to which the Act has assisted in a family policy framework. I wish the Minister success with the Act and I look forward to reading about its implications in the future and the degree to which it provides tangible benefits for those who wish to move to or stay in country and regional Western Australia.

MR RIEBELING (Burrup) [5.10 pm]: I reiterate a couple of matters I raised in the second reading debate and in Committee. Unfortunately I was not here last Thursday when the Minister for Housing no doubt answered some of the questions I raised. I am trying to find out what the Minister intends to do to resolve the problems in the Karratha area that I highlighted. The Minister for Regional Development will know about the chronic housing situation in Karratha and the impact the loss of the Industrial and Commercial Employees Housing Authority homes has had on small business in the Karratha region. I understand the Country Housing Bill will allow marked relief for the farming community. However, the area I am concerned about is the assistance to small business in a town in which the housing market is expensive and saturated.

The Minister for Housing said that people buy houses in the market and sell them at profits and loss. That is true. I said in the second reading debate that it is not always possible for a company to access the housing market for a period of three or four months. I hoped the Minister could tell us how small companies in Karratha are likely to be assisted, other than through loans.

Dr Hames: I will have a meeting with you and the member for Pilbara to discuss the issue as soon as we can get it organised.

Mr RIEBELING: Will that assistance be through this system or through Homeswest?

Dr Hames: Whatever. I want to have a meeting with Homeswest, yourselves, and perhaps the Department of Land Administration, to discuss Karratha, Port Hedland and South Hedland and find some way to resolve the issue. You will be invited to that.

Mr RIEBELING: I do not want to exclude the member for Pilbara, but I point out that the problems in his electorate are different from those in my electorate. The problems in my electorate are more pressing than those in the Pilbara. As a Government that prides itself on planning, it will know when the crisis will hit: It will hit in the next few months. This legislation will not solve the problems that have been created in part by the destruction of the Industrial and Commercial Employees Housing Authority system. That system at least gave this Government the ability to respond in a minimal way to the problem. I said in the second reading debate that the previous Court Government set up that system. The system was set up well and it benefited those it was directed to benefit. The winding down of that system assisted some small businesses and tenants. I applaud the way the houses were sold at the end of the system; however, I disagree with the fact that they were sold.

This Bill will allow the Minister flexibility in the extreme. The Minister's ability to intervene is massive. He said it is normal to have this sort of interventionist legislation in the area of housing; however, I have not seen legislation drafted in a manner which allows a Minister such direct action in the decision making of an authority. The Bill will also allow the authority to have flexibility in the extreme. Under clause 11 the authority may do all things that are

necessary or convenient to be done. That provision is flexible. The powers of delegation are also massive. Any staff member or any member of the authority or committee can be delegated to carry out any function of the authority, except the power to delegate. Basically, the delegation power relates to everyone connected with the authority, except someone who is not involved in the authority. If that is the sort of restraint that must be shown under this legislation, it is an open-ended cheque book. Because of the lack of transparency, the Minister must be careful when he exercises his powers.

Unfortunately I was away from this place when the Minister responded to my question about the acceptance of gifts. I understand he said that provision is normally included in legislation of this type. That may be the case. However, presumably when the draftspeople thought about what they should include in the legislation, they had in their minds that a gift may be given to the authority. I cannot see why a housing authority would receive any gifts. It worries me that sizeable gifts that are required to be noted in an Act are able to be given when it is being determined who shall receive government assistance. It will leave a gap that the Minister could do without.

The replacement of the old system that assisted farmers was long overdue. This Bill will enable the Government to perform that function much better than it used to. I am pleased the Minister is offering a meeting on the other problems that are being caused by the repeal of the ICEHA Act. I will take up his offer. The sooner we can have that meeting, the better.

DR HAMES (Yokine - Minister for Housing) [5.17 pm]: I thank opposition members for their support of this Bill. This legislation represents a new direction in the provision of assistance for rural housing to farmers, businesses and local government. The previous system served well, but it is outmoded and it does not provide for the problems that exist in rural housing at present. The Government must do everything it can to assist in the provision of rural housing, particularly for people on farms and for businesses trying to accommodate their employees, and to enable local government to assist both of those groups, particularly employees who want to be based in a town, and government employees when Government Employees Housing Authority accommodation may not be available.

This legislation provides the opportunity for a package arrangement that will assist greatly those in rural communities. I am happy with the support I have received for this legislation. I welcome scrutiny from the Opposition. Some areas need careful scrutiny. I refer particularly to the member for Burrup's comments about ensuring these matters are properly scrutinised. I gather his reference to gifts refers to large gifts; that is, when someone who may be thankful for the opportunities that have been provided by the Country Housing Authority wants to gift to the authority a building rather than sell it, so it can then be used to provide further opportunities for housing. I would be uncomfortable with gifts of any other sort that may be seen as trying to influence those on the board or those making decisions. That would not be envisaged or welcomed in any way. It requires proper scrutiny and I welcome the amendment from the Opposition to increase that scrutiny.

The member for Bassendean covered many issues that had already been covered. One example he raised related to a woman who could not access Homeswest accommodation. I did some calculations to determine what she would need to earn to pay off a loan of the amount referred to, and I established that her repayments would need to be \$34, given the maximum payment of 25 per cent of a person's income. Her total income would therefore need to be \$136 per week or \$272 per fortnight. A small percentage of the family allowance payment is taken into account, but most people living with two children would get that amount. It is hard to accept that she could not afford more. However, I would be interested to see the figures.

I am disappointed that we have not been able to assist more people through this scheme. Many people have been knocked back because they do not earn enough money to be able to buy half of their house. That goes back to the issue raised by the member for Armadale: We do not want to force people who cannot afford it to buy their own home and cause problems for them later. We have advertised to ensure that people who do not read newspapers, listen to the radio or receive press releases are still aware of the availability of this scheme. Many people in Homeswest accommodation are eligible for assistance through the scheme and earn sufficient money. Unfortunately, those who want to access it most are those who are least able to afford it. It is inevitable that they will try to access the scheme.

The member for Burrup said that this legislation provides the opportunity for excessive intervention on my part as Minister and flexibility in the extreme by the department. This is a very flexible system designed to create many opportunities because of the range of people it must accommodate. The existing Rural Housing Authority and Industrial and Commercial Employees' Housing Authority legislation already provide many of those powers, certainly to the RHA, to make judgments of that kind. I have not interfered once in any decision of the RHA or the ICEHA in relation to the buying or selling of land.

Mr Riebeling: There is a clause similar to clause 13 in the current Act.

Dr HAMES: Yes. I do not have a copy of it here, but I am sure that is the clause to which we were referring.

Mr Riebeling: It is the clause allowing the Minister to direct the authority.

Dr HAMES: The clause giving flexibility to the Country Housing Authority was in the RHA legislation in terms of its making decisions about loans for farmers as well. We have had no problems and no appeals or requests have been lodged for me to be involved, let alone give directions.

Mr Riebeling: It is built on the premise that you will have a lot more work.

Dr HAMES: We went through this very carefully. The reason I was happy with the comments, scrutiny and amendments from the Opposition is that at the end of the day the cycle turns and one day, hopefully not for a long time, members opposite will be on this side of the Chamber. Those following might want to scrutinise what the Labor Minister for Housing is doing. I want to ensure that every opportunity possible is provided for scrutiny so that we can watch members opposite in future as they are watching the Government now.

I thank members opposite. This is a great opportunity for rural housing. The scheme will be used, particularly by local government, businesses and farmers. As I said, this is a tremendous opportunity.

Question put and passed.

Bill read a third time and transmitted to the Council.

APPROPRIATION (CONSOLIDATED FUND) BILL (No 3)

Second Reading

Resumed from 16 October.

MRS ROBERTS (Midland) [5.25 pm]: I request that the Government consider establishing a Midland redevelopment authority along the lines of the East Perth Redevelopment Authority and the Subiaco Redevelopment Authority.

Midland is at the crossroads whichever way one looks at it. The area was previously known as Midland Junction, and the word "junction" is a clear reference to its being at a rail crossroad.

At no point in Midland's history has its future been so clearly on the line. Towns like Midland and Guildford have an important place in our State's history. They are two of the oldest towns in metropolitan Western Australia. They have a very proud history and have played a very important role in the establishment of our State.

Midland is now at the crossroads. The poet Robert Bruce said, "Two men looked through prison bars. One saw mud, the other stars." That is the situation confronting Midland: One can look at it and see the gloom or the opportunity. Those who look for the gloom look at the closure of the workshops, the 70 hectares of desolate land and the downturn in business. Unfortunately, the town centre has a number of vacant shops. There are many reasons for that, but not all are related to the town's location. The problem facing Midland is typical of that facing other parts of the metropolitan area and the State, but that problem is magnified in Midland for a variety of reasons.

The town centre has had some difficulties in that there has been a tremendous refocusing of commercial activity with the establishment of Midland Gate. The Morley Galleria has also presented strong competition, which has put pressure on the town centre. The town centre and the surrounding area have also been experiencing significant law and order problems. Most members will have heard of the bashing of Mr Byrne-King in Koongamia, which borders Midland. There have been other victims of assault, including a resident at Greenmount who was the victim of a serious case of home invasion. Apart from that, the area has been subjected to a high level of vandalism and graffiti, particularly in the town centre. We need to deal with people in my electorate who have substance abuse problems, and there are many other problems.

When we look on the gloomy side we see that the Government has not supported this area in a number of issues. For many years we had been promised traffic lights at the intersection of Great Eastern Highway and Farrall Road. Businesses in the Midvale area believe that if the lights are not installed, which is the Minister's current position, their businesses will be affected. If trade to those businesses is diminished or they are forced to close, fewer people will be employed in Midvale. Midland has experienced huge losses of employment from the Midland Workshops closure and through business closures.

The Shire of Swan is short of funds for the restoration of the town hall. The shire is carrying out a magnificent restoration job on the exterior of the town hall that has cost hundreds of thousands of dollars. However, before the interior of the town hall can be fully refurbished in the manner of the Fremantle Town Hall a further \$400 000 is required.

All those issues, and probably some other issues, give rise to significant concern about where Midland is at and what its future will be. However, when one looks on the bright side, at the opportunities for Midland, it could be a very different picture. When we consider the history of Midland and look at Midland's location we realise that it is strategically located in the Perth metropolitan area and has numerous natural assets. The Helena River and Jane Brook flow through the electorate of Midland. In one direction is the Swan Valley and the wineries and tourism venues that go with that. In the other direction are the hills and the John Forrest National Park and the benefits that flow from that. The Midland town centre is surrounded by growing population areas which can add impetus to the development and reinvigoration of our town centre.

Areas such as Jane Brook, the Vines and developments further afield will provide a substantial population base in the vicinity of Midland. Country people who come into Midland on either the Great Northern Highway or the Great Eastern Highway also focus on Midland. Often they will do their shopping and business in Midland rather than travel to the City of Perth. There is a focus on Midland and strong support for Midland from people in the neighbouring electorates of Swan Hills and Darling Range and also from country electorates, where people from towns like Northam, York and Toodyay do a lot of their business in Midland.

On the bright side, one must look at some of the other things that have happened for the benefit of Midland in recent years. In the time of the last Labor Government we saw the building of the Department of Land Administration headquarters in Midland, the new police complex, and the development at significant cost of the Midland Speed Dome, which only recently hosted the world cycling championships and brought quite a few people not just to the velodrome but also to other areas of Western Australia. Midland has a rich history and some significant heritage buildings.

The greatest asset of any area is always its people. Many people with positive attitudes are getting behind Midland. They want to ensure that it has the bright future that it can have and that opportunities are fully developed. Only last year a new group called the Midland Society was established with a strong emphasis on heritage and the preservation of heritage and also the lifestyle of people in Midland. The Midland Chamber of Commerce is a strong organisation. Its members are fully behind trying to get some emphasis placed back on Midland so it can have the future that the people of the area deserve. As I have pointed out, it will benefit not just the people of Midland but also those of the East Metropolitan Region and closer parts of the Agricultural Region.

One of the wins that have benefited Midland is tourism in the Swan Valley. The Spring in the Valley festival was held the weekend before last. Every year it gets better. My family had the opportunity to visit a number of vineyards over that weekend. My daughters in particular enjoyed walking some llamas along the riverside at one of the wineries. The growing population in the area presents many opportunities and with some input from the Government those opportunities can be realised.

I congratulate the Minister for the Environment on her decision in relation to Bellevue. The area has had a partial win with \$6.9m being allocated to the cleanup of the main Omex pit. Although not everybody is completely satisfied with that decision, and some serious concerns remain about health matters and other minor pits and some reservations exist as to the process and to further stages, I congratulate the current Minister for the Environment on at least agreeing to remove the waste from the main pit. That is a positive and pleasing move by the Government.

The Government is also making some progress with policing. I am pleased with the operations of the mobile policing unit and the long overdue financial relief that the Government has provided to the Swan Shire Council for the Midland Speed Dome.

In recent time the Swan Shire Council has had a new look at Midland. This was evidenced by the council's charette town planning process, where over a week the council consulted widely with the whole of the Midland community - young people, old people and everyone in between. It was a great success. The other positive move from the shire in recent times relates to a revamp of the town centre. The council has taken the charette process very seriously. It wants to work with the Government and the Midland community to achieve some appropriate outcomes.

While I am dealing with some of the good things that have been happening in Midland lately I will mention the television series "The Gift", which is a children's series for 6 to 10 year olds that is being filmed on sets inside the Midland Workshops. That is one potential of that site.

Members might ask why a redevelopment authority is needed. It is needed in Midland for much the same reasons as it was needed in East Perth and other areas. In Midland we need a whole of government approach and for the Government to work closely with local government and community groups. As a former member of the board of the East Perth Redevelopment Authority, I can tell members that very early on we worked out that one of the problems with East Perth was that so much land had been in government ownership. In fact, 70 per cent of the property within the boundaries of the East Perth Redevelopment Authority was owned by one government agency or another, or by

local government. In the 1980s we still had an area in East Perth, only one kilometre from the central business district, that was unsewered. A large part of the reason for that was the government ownership of the land, which was mixed.

A similar comparison can be made with Midland where some significant landholdings are owned by the Government, the most significant of which is the Midland Workshops site for which the Government Property Office has jurisdiction. In East Perth we found that we had to deal with an enormous number of government authorities, such as Main Roads Western Australia, the Department of Transport, the Education Department, Westrail, the Government Property Office, Transperth and the Department of Land Administration, just to name a few. Some of those agencies as well as others would be involved in Midland. The State Government and the Shire of Swan have significant landholdings there.

My concern is that this charette process - a plan for the future of Midland which could provide a bright future with lots of opportunities for the whole of the East Metropolitan Region - could be jeopardised by a piecemeal approach. An approach where the shire must undertake protracted negotiations department by department and the Midland Chamber of Commerce, the Midland Society and every other group must have meetings Minister by Minister and department by department would be years in the making. We need some coordination and impetus from government. I do not think the Government needs to put forward a huge lump of money, and I am not asking for that.

When the final report of the charette is brought down in a week or so, it will no doubt discuss ways in which the development of Midland can be self-funding. We are working on going ahead with some projects straightaway: I understand meetings are already in progress with Main Roads Western Australia about the reopening of Great Northern Highway, and there has been some fairly positive feedback on that. We are also looking at changing the one way nature of Great Eastern Highway and Victoria Street. Those types of changes are probably within the budget of the Shire of Swan and could be dealt with by it within the next year or so.

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

Mrs ROBERTS: A redevelopment authority is the only practical way of advancing the needs of Midland. I do not think it is appropriate to look at the Midland Workshops site in isolation. It has enormous potential. We are still waiting to hear from the Minister for Police about whether a police academy can be located there. We were told that the site would be considered for the new sports stadium, although given what has happened with the Western Reds it may not be likely that the Government will proceed with that. However, we have heard no more from the Government about it. The use of these buildings by Barron films as a film studio seems to be a very good proposal, too.

Currently Edith Cowan University and the Midland Technical and Further Education College run some classes there. I would like to see a university for the whole of the eastern region established over most of the workshops site. The State Government should be pressing the Federal Government for that. The population of that area is growing. I do not think it is right that people in the eastern suburbs and beyond should be disadvantaged. People from some of the agricultural areas, such as Northam, could commute and they are much less likely to want to commute to Murdoch University or one of the other universities.

Those sorts of proposals were put forward at the charette. Some of the proposals were practical and more easily achieved; others were more creative. There will need to be much more discussion and consultation regarding some of the concepts that were developed. Some of them were absolutely fantastic. There will need to be some negotiation, especially where private property owners are involved. I am asking the Government to take the bull by the horns, to determine to have a Midland redevelopment authority in conjunction with the Shire of Swan, to give the whole of the Midland region the impetus and coordination it needs. The Government has the expertise within its departments, such as the Ministry for Planning, to coordinate with other government departments and with the local government authority, the Shire of Swan, the whole process and the future of Midland in terms of the workshops site; the transport, recreational and tourism needs; and the needs of the town centre and the people of the Midland region.

I put forward this proposal for serious consideration. I believe the Government is likely to receive an approach from the Shire of Swan and others in the Midland region to set up a body like this. It is the only way to go, otherwise we will have more of the same piecemeal approach where the Shire of Swan is doing its own thing. Various other groups in Midland want to see something positive happen. They are keen to work together and did that as part of that charette process. If the process is not coordinated, we will have different people in different groups going off and setting different targets, some of which will be in concert with each other and others in divergence with each other. A whole range of needs must be met.

Towns like Midland that once flourished often get to a period like this, a low point from which they must rebuild.

A big rebuilding job must be done in Midland not just for the people of Midland but also for those in the whole of the surrounding area and for metropolitan Perth. Midland could be developed to rival some of the towns which have already had that kind of rejuvenation, including Subiaco and Fremantle.

MR BAKER (Joondalup) [5.47 pm]: I am very pleased to support this Bill. In doing so, I will raise several matters of concern that have been raised with me by many of my constituents. Those concerns primarily relate to the order of priority that the Federal Government, and for that matter the previous Federal Labor Government, have assigned to the need for taxation reform in this country and also reform of the commonwealth-state financial relationship. I will also touch on the proposed national Constitutional Convention which, in my view, represents a prime opportunity to discuss these two other issues on a federal level.

All three issues will have varying impacts upon our country's economic growth, job creation prospects and the revenue raising ability of the States. Of course, the last mentioned is very important if the States are to have sufficient revenue raising powers to fund their core areas of responsibility; they are health, education, transport, and law and order. Of particular concern to many of my constituents is the apparent emphasis the Federal Government and, in particular, the federal parliamentary Labor Party are placing on the resolution of these three issues. From time to time we have heard in this House that our State Government and previous State Governments have not had sufficient revenue sources to enable them to maintain properly our schools and hospitals, to resource our transport system and to construct freeway extensions and whatever. This issue is fundamental to the Constitutional Convention being held in February next year, although it is not on the agenda.

We have heard time and again in this House our State Government and the previous State Labor Government complain of a lack of revenue to fund our State's key or core areas of responsibility. I am speaking here, of course, about the core areas of health, education, transport and law and order. These areas are of great importance to the community.

In the Education portfolio, the community is constantly demanding smaller class sizes, more schools, more appropriately trained teachers, better facilities, particularly the provision of computers, and a higher standard of general literacy. The Health portfolio also has its budgetary problems, ranging from the need for additional funding to reduce elective surgery waiting lists, to the need for the provision of more specialist medical staff in regional country areas. In the Transport portfolio, the provision of additional road and freeway linkages of an appropriate quality is always in demand throughout the State, particularly in the north and south metropolitan areas. Members will have noted that there have been many calls for an extension of the freeways both north and south.

In short, the demands that are being placed upon our State's finances in these key areas cannot realistically be met from our State's revenue raising powers without the need for drastic increases in all of our State's taxes, fees and charges, and the community will not continue to accept such increases. In circumstances of this kind, it would be very easy and very tempting for the State Government to simply borrow more money to expend on these core areas and thereby run the risk of further mortgaging the future of our State and of our children and grandchildren. In the short term, borrowed funds can be used to satisfy the ever increasing demands that are being placed upon these four areas, but in the long term this will surely spell financial ruin for the people of Western Australia. Fortunately, our State Government realises this and has adopted many policies aimed at getting greater value out of taxpayers' dollars, but at the end of the day we can only go only so far in that direction.

Members opposite have yet to realise the true extent of the quandary facing our State's finances, because being in opposition they can promise the world but not have to deliver anything. They continually moan and complain about the financial constraints upon our State's Budget and how they impact upon the core areas of health, education and transport; and in so doing, they hope to achieve some cheap political points, and they can feel secure in the knowledge that because they are not the Government of the day, they do not need to address these financial constraints.

As our nation approaches the centenary of Federation in just over two years, the present opportunity will, no doubt, be our first and last opportunity for the next 100 years to revitalise the Federation and greatly improve the relationship between the States and the Commonwealth, particularly in respect of the States' taxation powers. To fully understand and appreciate this dire need is simply a matter of conducting an historical overview of the shift in commonwealth and state source revenues since Federation.

Shortly after Federation, when the Commonwealth took over customs and excise duties from the States, the State's share of all government revenues raised in Australia was just under 50 per cent. Prior to this takeover, the sharing of government revenues was, by any description, fair and equitable, bearing in mind the then jurisdictional and core responsibilities between the States and the Commonwealth. In the first 40 years of federation, the Commonwealth introduced a range of new taxes as the demands upon the commonwealth public purse grew hand in hand with the increase in the population base and the First World War.

Notwithstanding this, during this 40 year period, state revenue raising kept pace with the Commonwealth, and state taxes actually grew faster than commonwealth taxes. At this early stage, this disparity in the growth rates clearly indicated that the States had assumed greater responsibility for the provision of public sector services to the community.

The crucial turning point in the source revenue relationship between the States and the Commonwealth occurred in 1942 with the transfer of income taxing powers from the State to the Commonwealth. This was initially intended as part and parcel of the Second World War financing measures. Debates on this issue in the Federal Parliament indicate that this was intended to be a short to medium term arrangement and that in due course a retransfer would be discussed and negotiated. Needless to say, there were never any further discussions on that point, and the Commonwealth has had a monopoly on taxing income ever since. At the same time, the State's revenue share fell to around 10 per cent, and the State's source revenues have never recovered.

By the mid-1990s, the States had clawed back some of the revenue share by introducing new taxes such as franchise fees and financial institutions duty, and also by the transfer of payroll tax and debits tax from the Commonwealth to the States. In addition, the States also increased the rates of existing state government taxes in an attempt to fill the hole that was created in 1942 when the States transferred to the Commonwealth their power to tax income.

The recent High Court decision in the case of *Walter Hammond and Associates* destroyed the States' ability to levy up to \$5b in taxes on tobacco, alcohol and petrol. This decision, in my view, is by far the most significant setback for state taxes since the 1942 transfer of income taxing powers from the States to the Commonwealth. The judges who arrived at the majority judgment acknowledged that the decision would have serious implications for the revenues of the States and Territories, that it would accentuate the existing imbalance between revenue collections and expenditures by State and Federal Governments, and that it highlighted the dire need for fundamental tax reform and not piecemeal tokenism in that area.

In responding to the High Court decision, the Australian Institute of Company Directors formulated a tax policy which incorporated six main features. The object of this tax policy was to try to get around the decision in that case with a view to rearranging the tax sharing arrangement between the Commonwealth and the States to make it more equitable. It proposed, firstly, a two tier income tax system to replace the existing five tier system, with taxpayers being levied at a rate of 20 per cent until they reached average weekly earnings, and beyond that it was proposed that they be levied at the company rate of 36 per cent. That is a reasonable proposal.

It proposed, secondly, a rebate for lower income earners to replace the personal tax free threshold. It proposed, thirdly, a broad based consumption tax to replace a raft of innocuous taxes, including federal wholesale sales tax, and land tax, payroll tax and FID and BAD taxes, all levied by the States. It proposed, fourthly, the taxation of fringe benefits through the group tax system with a view to reducing compliance costs. It proposed, fifthly, a simplification of capital gains tax, including exempt status for assets held for more than 10 years. It proposed, sixthly, various venture capital initiatives.

The AICD stated also that Australia had to grow at a sustainable annual rate of more than 4 per cent to make a realistic impression on unemployment, and that the nation needed a more competitive economy and, specifically, a more efficient tax system. Put simply, our current tax system is not working and is having a detrimental impact not just upon the State's ability to meet its core areas of responsibility but also upon the expansion of our economy and the creation of employment.

The problem I have highlighted has been further aggravated by the fact that the Commonwealth has provided a dwindling share of its taxes to the States. In 1977-78 the Commonwealth returned 35.2 per cent of its taxes as grants to the States, but by 1987-88 this proportion had fallen to 26.2 per cent, and in 1997-98 it is expected to be only 20.3 per cent. If the Commonwealth provided the same proportion of its revenue to the States as it did a decade ago, grants to the States would be around \$8b per annum higher, and Western Australia's share of this would be around \$800m.

The Commonwealth's unjust sharing of its revenues with the States has meant that the States have had to wear the largest burden of commonwealth expenditure restraints in the past decade. While grants from the Commonwealth to the States have decreased by 7 per cent over the past decade, the Commonwealth has increased its spending by 21 per cent. While all the States have suffered from the commonwealth cut in grants, Western Australia has borne a greater than average burden, because its grants have fallen by 19 per cent in real per capita terms. I am sure that the founding fathers of our Federation clearly recognised that a national Government was best placed to determine national priorities but that State Governments were better placed to determine local priorities and to be responsive to the changing needs of their citizens, particularly with regard to the provision of core services. Section 51 of the Constitution provided the Commonwealth with explicit areas of responsibility but left the States with sole responsibility for all other areas, including the core areas of health, education, law and order, and transport.

The constant and unfettered abuse by the Commonwealth of its constitutional external affairs power over the past 14 years has resulted in Canberra intruding into legislative responsibilities that are ordinarily within the States' powers, to such an extent that the Commonwealth has effectively usurped the role of the States for all practical purposes. In short, since Federation, the Commonwealth's manipulation of its financial relationship with the States and its abuse of the external affairs power, and the use of tied grants, has led to more and more power being centralised in Canberra and the eastern States. No State in our Federation has been more prejudiced by this shift in the centralisation of power than Western Australia.

Sitting suspended from 6.00 to 7.30 pm

Mr BAKER: It is interesting to note how the original intent of our founding fathers, when they drafted the federation agreement that is embodied in the Constitution, has become somewhat perverted over the years since Federation. One reason for that is the way the High Court has interpreted the key taxing powers of the States and the Commonwealth and also the external affairs power. I have no doubt that if the founding fathers of our nation's federation were alive today and if they were made aware of all that has transpired in commonwealth-state relations since Federation, they would tell the Commonwealth Government and the High Court, without dissent, that the present centralist scenario was never intended by them and that it represents a perversion or distortion of their original intentions.

In addition to the issues I have already raised about the commonwealth-state financial relationship, and a further compounding factor, is the vertical fiscal imbalance between the Commonwealth and the States. The difference between the revenue raising powers and expenditure responsibilities of each level of government is a damning failure of the Australian federal structure. This vertical fiscal imbalance has been a longstanding problem in Australia. This is another issue we must address as we approach the centenary of Federation.

For example, in 1996-97 the Commonwealth raised 36 per cent more revenue than it required to meet its expenditure responsibilities, whereas the States raised only 58 per cent of their expenditures. This equation alone has caused the States to look yet again at the Commonwealth for additional funds so they can once again properly fund their core areas of responsibility. As a result of the recent High Court decision on franchise fees, the proportion of state taxes collected by the Commonwealth this year will increase from 77 per cent to 80 per cent. This is an absurd situation and is contrary to any notion of a fair and equitable Federation with the States.

It is interesting to contrast the situation in Australia with that being experienced overseas in other federal systems. For example, in the United States each level of government is largely responsible for collecting its own taxes. There are few constitutional legal limitations on the taxing powers of the states of the United States. My understanding is that most of the states collect retail sales taxes and tax personal income and corporate incomes. In the United States the states raise slightly more revenue than is necessary to meet their expenditure commitments. I understand the surplus is given to local government. It is interesting how local governments in the United States receive part of their funding. Other Federations such as Canada and Germany also manage their affairs with a much closer balance between expenditure and revenue, particularly at the state level. In comparative terms relative to the fiscal imbalances experienced between the central and provincial or state governments in Germany, the USA and Canada, the States in Australia are by far the biggest losers.

Mr Pandal interjected.

Mr BAKER: I am sure LandCorp's proposed cinema complex at Joondalup will have no real impact on our State's Budget.

A further compounding factor in this relationship is the Commonwealth's use of tied funding to restrict the States' flexibility to respond to local needs. The proportion of state revenue coming from the Commonwealth as tied payments has increased from around 25 per cent in the early 1970s to over 50 per cent at present. The ties or strings attached to funding of this kind are another example of the Commonwealth trying to extend indirectly its controls into the affairs of the States. Not only have tied grants increased in relative importance, but I understand that the conditions attached to these grants have become more onerous and the reporting requirements attached to the grants have become more difficult to comply with. For example, the Commonwealth seems set to impose in the new Medicare Agreement detailed performance targets and reporting requirements on the States.

I mentioned earlier that although all States have suffered from the commonwealth cut in grants, Western Australia has borne the heaviest burden. Western Australia seems to have been singled out by the Commonwealth. There is no clearer indication of this than if we compare Western Australia's relative per capita share of financial assistance grants with that for the other States. If Western Australia's share of assistance grants had remained at its 1993-94 level, WA would receive an extra \$208m in the current financial year. That is around an additional \$120 for each person who resides in Western Australia. However, over the past four years this State has lost a total of \$543m in

grants. Members should think about what could have been done in this State with that money to satisfy requests in the core areas I mentioned earlier of health, education and transport.

The Commonwealth Grants Commission says it has reduced Western Australia's share of funding because the State is performing well in economic growth. If this is the case, what real incentive is there for any State Government to ensure its economy performs strongly? Why should the Commonwealth punish the strongly performing States such as Western Australia and reward the poor performers with additional financial assistance grants? This notion of punishing success and rewarding failure is anathema in our system of government and economics. It may have some relationship or relevance in a socialist system of soviet states, but it has no relationship or affinity with an economy that is based on the free market or capitalist system.

Dr Gallop: No soviet states are left.

Mr BAKER: I know. I am referring to the past. That is one of the reasons that system failed.

It is accepted and it cannot be denied that our State leads this nation in employment creation and economic growth. Western Australians provide annually \$1.5b, or around \$900 a person, more to the Commonwealth in taxes and revenue than they receive in grants, services and other benefits.

All of the foregoing indicates that the national tax system - the sharing of the taxing powers in this country - is inequitable, unfair and unjust and, hence, requires urgent reform. Not only that, but the overall taxation levels are still too high when compared with our major economic competitors, particularly in the Asia region. The State Government does not seek to raise the tax burden on its residents, but to implement reforms that give the States the growth revenues they need to fund the vital community services I mentioned earlier, and also to allow the States to move away from the current inefficient low growth taxation base and reduce the States' reliance on the Commonwealth.

Having recognised the need for true national tax reform, the question is: When should such reform take place? Surely there is no more appropriate time to discuss the issue of tax reform than now. Australia is rapidly approaching its centenary of Federation. I thought that as the residents of Australia look towards that point, review their Constitution, and toy with the idea of adopting the republican model of government, this would be the appropriate time to address this issue.

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

Mr BAKER: This reform will have an impact on the bread and butter issues that affect the citizens of our State. Reform of this kind will enable our State to deliver further quality services in the key areas mentioned earlier. It will also assist in improving our transport systems and in providing a better quality of education for our children. Such reforms should prevail when compared to other possible constitutional reforms being discussed at the moment, particularly the republican issue. This is the most vexing aspect of the current debate about the Constitution. The media is raising the republican issue as a matter of priority rather than the need for tax reform or the nature of the relationship between the Commonwealth and the States. Those issues should have greater priority in the overall debate about the Constitution.

The Constitutional Convention (Election) Bill was finally passed by both Houses of Federal Parliament on 28 August this year. I do not for a moment dispute the need for Australians to be given a real opportunity to resolve the republican issue in time for the centenary of Federation. I urge all Australians to take part in the election of delegates to the convention and to participate in the convention debate. However, it would be preferable to advise Australians to take an even more meaningful and important step for our country and our State by taking a keen interest in the current debate on the commonwealth-state financial relationship.

Only three items will be discussed at the proposed national Constitutional Convention in February: First, whether Australia should become a republic; second, which model would be preferable to be measured against the status quo; and, third, the timetable or circumstances in which any change might be considered. It is interesting that the Federal Government has not decided to include any other constitutional issue. That is absurd given the direct need for the reforms previously mentioned. It is simply a matter of prioritising which issues will impact upon people in their day-to-day affairs. The more important issues are the financial relationship between the States and the Commonwealth and the need for tax reform.

The move towards a republic would be no more than tokenism and window dressing, and it would have no real impact on the betterment of Australia as a nation. I accept that the nature of the relationship between the Commonwealth and the States is somewhat difficult for average voters to understand. When issues become complicated, people tend to steer away from them. The media have a very important role to play in that they can enhance public understanding of these problems. It is also important for all members to lobby their federal colleagues

to ensure that these issues and reforms are placed on the agenda in time for the Constitutional Convention in February.

This is the prime opportunity to take the steps I have mentioned - to discuss the need for reform and to propose reforms. If we do not act now we will lose the opportunity for the next 100 years. In the meantime we will suffer additional reduction in or frustration about the States' taxing powers and their ability to meet key financial commitments in their core areas of responsibility.

The other interesting aspect of the national Constitutional Convention is its cost. I am told that the cost of holding the postal vote alone is about \$35.6m.

Mr Pandal: Is that for the whole nation?

Mr BAKER: Yes. That is assuming that everyone who is eligible will vote. That is on the high side, but it is the ballpark figure that has been quoted.

We should also consider issues ranging from the tax deductibility aspects of the campaigns that will be conducted by the various delegates through to the cost of conducting the convention itself. All in all, the total estimated cost, from start to finish, will be about \$85m to \$100m. Unless the reforms I have mentioned are put on the agenda at the convention that money will be largely spent on symbolism and window dressing rather than substance and need.

If we are to encourage Australians to participate in a debate essentially centred on symbolism and window dressing, the States should cooperate to ensure that any agreement reached with the Commonwealth on that issue has a very large and tight string attached - I refer to the reforms I mentioned earlier. If members of this House are genuinely concerned about responding to the needs of the people of Western Australia and ensuring that we have improved health, education and transport facilities and money for the Police Service to combat the crime rate, and if we are truly concerned about a better quality of life for Western Australians, we will take up these issues and lobby our federal colleagues to ensure they are put on the convention agenda.

The issue of republicanism pales into insignificance when compared to the issue that is at the very root of ensuring a better quality of life for all Western Australians. Tax reform is not a topic that politicians like to discuss. When issues of this kind are discussed the Opposition usually mounts aggressive fear campaigns, spreads misinformation, confuses electors and frightens them into rejecting any taxation reform. I ask all members to put aside political differences and acknowledge the need for tax reform and reform of the commonwealth-state financial relationship and to do their best to ensure that the community is better educated on these issues. They should also lobby their federal colleagues to ensure that these issues are put on the agenda for next year's convention.

DR GALLOP (Victoria Park - Leader of the Opposition) [7.48 pm]: I take this opportunity to discuss the Western Australian economy in view of the recent publication of the June quarter state account figures, which give us a clear picture of what happened to the Western Australian economy in 1996-97.

Last year the Western Australian economy fell well short of the Government's expectations in respect of the rate of growth. Our gross state product grew by 3.1 per cent, whereas the Government had predicted 5 per cent growth. It is interesting to look at the growth equation and to establish the issues behind this result.

Throughout 1996-97, private consumption in Western Australia remained weak. The forecast growth was 1.75 per cent but the actual growth was 1.3 per cent. This is only the third time in the past 12 years that private consumption has fallen below 2 per cent - the other years were 1986-87 and 1990-91. Only South Australia had a worse rate of growth in private consumption in 1996-97. Members of Parliament who consult with the local business community, which sells the goods and services that ultimately make up private consumption, have been told of the tough times being experienced in recent years.

More disturbing in 1996-97 was the rate of private business investment, which fell by 2.1 per cent compared to a forecast growth of 10.75 per cent. Private business investment comprises non-dwelling construction and purchases of equipment. In seasonally adjusted terms, that figure has fallen for the past five months. Indeed, Western Australia recorded the worst level of business investment growth of all the States. The performance of our economy in the area of private business investment last year fell well short of expectations. It took us into negative rather than positive growth figures.

Last year dwelling investment fell by 0.1 per cent. That followed the disastrous year of 1995-96 when investment fell by 13.6 per cent. There has been a slight pick up in the housing sector from the disastrous year of 1995-96, but investment still fell throughout the course of last year.

In the external sector of our economy input growth in 1996-97 was strong at 16.8 per cent. That was well above the forecast of 8 per cent. However, export growth was 5.8 per cent, which was well below the forecast 7.25 per cent

growth. When one adds together the figures for private consumption, business investment, dwelling investment and the external sector of imports and exports one finds that Western Australia is no longer the nation's leading growth State. Throughout the course of 1996-97 Queensland outperformed Western Australia with a 4.6 per cent rate of economic growth.

Of even more concern was the June quarter. In the June quarter only Tasmania experienced worse rates of economic growth than Western Australia. In the June quarter we had a negative rate of growth of 1.6 per cent and Tasmania had a negative rate of 2.1 per cent. The Government could not argue that the year turned out as successfully as it had predicted. There were serious signs in the economy that things were not going well in particular sectors. The Chamber of Commerce and Industry's publication "The Business Advocate" of September 1997 pointed out that Western Australia is no longer leading the national trade cycle, with key sectors like housing and retail trade lagging behind the recoveries that are emerging at the national level. It was the feature of the trade cycle in the Australian economy that Western Australia tended to lead the other States out of the cycle with strong performances in the housing and retail sectors. The difference with this trade cycle is that the other States have come out of the trough quicker and stronger than Western Australia. This is the first time in recent economic history that Western Australia has lagged behind the recoveries in the other States. Queensland has replaced Western Australia as the State with the strongest rate of economic growth.

In recent months in the retail sector and in dwelling investment we see signs of recovery. In retail trade in the months of July and August there were increases of 0.6 per cent and 2.3 per cent respectively. In dwelling investment in the last two quarters there has been strong growth with 5 per cent in March and 6.7 per cent in June. There are signs of some recovery in the consumption and housing sides of our economy. The key factor in Western Australia's rate of economic growth will be business investment. With business investment there are the usual lists of prospective projects in our State. Research by Access Economics and Delta Electricity cites \$57b of current or prospective investment projects. That represents over one-third of all major investment projects across Australia.

The problem with using these aggregate figures is that they can dramatically overstate what will happen in the economy. The Chamber of Mines and Energy's publication "Bedrock of the Economy" made the following important point -

... simple addition of estimates of the cost of projects under consideration or possible at some time in the future grossly overstates the actual level of future investment ... The focus of attention should not be on a single total figure but the way in which such a broad spread of significant new projects points to the great long term potential of the WA minerals industry ...

We must be careful not to overstate the situation by referring to figures that include prospective investments that have yet to be subjected to the scrutiny of individual developers, and to become part of the political equation in the approval process. It will be important for our State that some of those projects come to fruition if Western Australia is to achieve high rates of economic growth and make some impact upon the rate of unemployment, particularly the rate of long term unemployment.

The issue I want to raise today will affect the rate of investment in Western Australia in the future. It is an issue that has not been given any serious treatment in this Parliament by the Government. It is now incumbent on the Premier to make a statement in this Parliament about the potential impact of the South East Asian currency crises. I asked the Premier a question on this topic and he gave an off the cuff answer to some of the impacts that might emerge from those currency crises. It is important that we take most seriously what is happening in South East Asia today.

Even if one does not look at the detailed causes and consequences of the currency crises in South East Asia one can reach the conclusion that serious uncertainties have emerged in that area of the world which will impact on Western Australia's business environment. Our major national newspaper has published some good analyses and commentaries of the potential impact of those crises. There have also been a number of commentaries on those crises by economists in the international media. Two points of view have come forward in that literature. Some analysts argue that the crises will involve short term adjustments and will have some impact on those economies and therefore on other economies linked to them. Other commentators believe that the process will trigger a much deeper crisis which will involve Hong Kong and China. Some commentators who have been published in magazines like *The Economist* and other reputable magazines have provided very serious analyses of the banking systems in those countries, the degree to which those banking systems have a sustainable level of lending and what might happen should that house of cards begin to fall.

I am not in a position to comment on whether the optimists or the pessimists are right. However, if we take the point of view of the optimists as the starting point for the analyses that the crisis will involve short term adjustments and impacts, we should look at the potential impact on Western Australia. Even the fact that this debate is occurring will impact on investment and growth as some degree of uncertainty has been created about investment in that region.

I will remind members of the extent of the problem. We have seen major currency devaluations in Thailand, Indonesia, the Philippines and Malaysia. I mention them in that order because the currency devaluation has been greatest in Thailand and smallest in Malaysia. All of this happened from a mix of trade deficits and unsustainable debt levels of the personal and corporate sectors and also government debt. Indeed, eventually the international money markets made a statement about the viability of those currency levels in the context of those trade deficits and the debt levels prevailing in those economies. Several countries are experiencing serious currency devaluations. That instability and turmoil continues in those countries at this very moment.

On top of that, we have had a severe decline in those countries' stock markets. The most significant stock market decline has occurred in Malaysia, followed by Indonesia, the Philippines and Thailand. There has been a very significant reduction in the valuations of the assets listed on the stock markets in those countries. As a result of this, interest rates have risen to attempt to reduce the outward movement of capital from those countries.

We are all well aware of the dialogue that has gone on between some of the leaders in those countries and some of the international investors who have been commenting on the viability of the debt levels and the banking practices that have prevailed. I do not think I am in a position to add to that argument. However, whatever the gloss may be on some of those economies, we must recognise that certain realities have emerged and have had a very severe impact on those economies.

Let us return to Western Australia. The Asian region is now a key part of our economic destiny. An article in the *Australian Financial Review* a number of months ago indicated that the Australian trade cycle is now much more directly linked to the rates of economic activity in Asia than it was in past decades. That is because we have become more inextricably linked in import and export terms with those economies. In looking at Asia overall, it is important to remind ourselves that those countries take 70 per cent of all of the exports of Western Australia. The Asian region is our major market. What happens in that area is of major concern to Western Australia.

It is also interesting to note that the four economies to which we are referring tonight - Indonesia, Malaysia, Thailand and the Philippines - not only have become important markets for Western Australia, but also have been growing in importance with very fast rates of growth. Not only have they been increasing their role in our economy, they have also been increasing it at a fast rate. More and more we are bound up with their destiny. Thus far Hong Kong has not been incorporated into this major currency crisis, although yesterday there were major problems in the Hong Kong stock market. Those who analyse the situation there have noticed the speculation in property markets that has occurred and are concerned that the valuation of the assets there is not sustainable and that eventually the bubble will burst there as well. Of course, Hong Kong is one of our important trading partners, more so now that it is linked with China.

Let us look at the potential impact of these changes on Western Australia. The currency changes that have occurred and the devaluations will cheapen the exports from those countries and make our exports to them more expensive. They have gained a competitive edge by the devaluation. Of course, we will find it harder to export to those markets because of the devaluation in their currencies.

Mr Bloffwitch: It is pretty hard on the local economy.

Dr GALLOP: I am just analysing the impact. The overall effect of this devaluation on us will be determined by two things: First, the extent to which our exports reduce there because of the devaluation; and, second, as they export more because of the devaluation, they might require more inputs from us to feed their exports. We must remember that many of our exports to those countries represent inputs to their economic process. When we put those two together, it is difficult to work out the overall impact. Most commentators believe there will be a reduction in the rate of Western Australian and Australian exports as a result of the currency changes on their own.

Let us look at two examples. One that you, Mr Speaker, would be well aware of is the export of Western Australian education services. That is primarily Asian business. With the devaluation of the currencies in those countries, it will be harder to attract people here. We should also look at tourism. Tourism from Asia now makes up about 50 per cent of our tourist market overall in Western Australia. That will also be made harder by the currency devaluation. On balance, even though we will gain certain things from their devaluation - they will need some inputs should they increase their exports - the overall impact on our economy will be negative.

I think of more importance to us than the currency changes will be the impact of this currency crisis on the economies of those countries and the spin-off that will have on our own economy. In those economies the Governments must take radical fiscal measures to deal with the problems. Those Governments will be reducing expenditure and increasing taxes; however, most importantly, some of the grand public sector projects that we have associated with some of those economies will be put into the drawers of the finance departments from which they will not emerge for some time. Already we have seen that the Minister for Finance has now successfully convinced some of his

Cabinet colleagues that some of the grand projects that were planned for Sarawak, for example, will now not happen because of the budgetary crisis.

We must remember that some of the work we do in these areas is feeding off the public sectors of those economies. We have been very successful in our engineering services, our consultancy services and our expertise in the public sector in providing services to those economies. The reduction that will automatically occur from their Governments contracting will have a negative impact on our economy.

We will also find that the banks and financial institutions will be contracting as they attempt to restore their balance sheets to a healthy position. The sorts of things we saw happen when the bubble burst in Tokyo, when some of the overseas Japanese investment returned to Japan to ensure that the balance sheets were okay in Tokyo, will also happen in respect of some of the banks and financial institutions in South East Asia.

Investment will also be discouraged by fluctuating exchange rates causing some uncertainty in the economies. Most commentators believe the strength of these economies is still there. The strength of the economies comes from a number of factors, including the natural resource base and the level of savings that they have created in their communities, which varies from country to country. It has also come from the fact that in those economies labour is still moving from the country to manufacturing and it is available for new manufacturing development. All commentators agree that even though there will still be rates of economic growth, we must reduce the estimate of what that rate of economic growth will be in those economies. We have seen various estimates of how that reduction will occur.

The third factor that is important to note is that Australia's leading trading partner, Japan, is inextricably linked with those economies. I visited Japan recently, and one of the subjects that I made a point of examining was the forecasts of the Japanese rate of economic growth. All members would know that the bubble burst in Japan in the early 1990s, and from that time the rapid rate of economic growth was reduced to such a level that it became a serious economic crisis for the Japanese. The Japanese gradually emerged from that crisis, but even today the best estimate of the rate of economic growth in Japan for next year is about 1.9 per cent, and the worst estimate is below 1 per cent. Some commentators in Japan are predicting a negative rate of economic growth for this year.

The currency crisis in South East Asia will have an impact on Japan. I visited a big trading company in Japan while the currency crisis was occurring, and when I asked the people how things were going, they said that they were very gloomy because of the collapse of the currencies of those four South East Asian economies. The impact on Japan is important for us given the important role that Japan plays in our economy.

When all of those factors are taken into account, there is no doubt that there will be a negative impact on Western Australia's rate of growth as the economies of those countries contract and as their currencies are devalued. Economists have predicted that the result of these currency changes in South East Asia will be a reduction in Australia's rate of growth of about 0.5 per cent. Given that Western Australia is more closely linked with South East Asia than is the remainder of Australia, we can predict that the impact on this State will be greater than 0.5 per cent.

There is no doubt that what is happening in those countries is of major importance to the future of our economy. The first implication that I draw is that the Premier, as the Treasurer and chief Minister of this State, should take a real interest in what is happening and inform the Parliament, according to the best estimates that are available from his departmental officers, of the impacts of what is happening in those countries to see whether we can do anything to ameliorate the overall negative impacts.

Secondly, the Federal Government and the State Government should have regular communication about these issues. The Federal Government is now part and parcel of the process by which we can try to find a way forward from this crisis because of its participation in the International Monetary Fund rescue package for Thailand, which is now subject to some question because of the budgetary strategy that has been put forward by the Thai Government.

In summary the Premier should make a clear statement to this Parliament about what is happening, and the Premier should be in regular contact with his federal colleagues, particularly the Treasurer, Mr Costello, and the federal Treasury about what is happening, so that we are made aware of the implications for this State.

While I am on the theme of the relationship between Australia and Asia, I will say a few things about the Australia-Japan relationship. It is most encouraging for those of us who have had the privilege of visiting Japan, either as representatives of the Western Australian Government and the Parliament, or as business people or citizens, to see the positive attitude of the Japanese towards Australia. When I returned from Japan recently, on the plane were a group of students from Ocean Reef Senior High School and Belmont Senior High School, who had been visiting Japan as part of an exchange program, and living with families and developing positive relationships.

The Australia-Japan relationship can be put under three headings: Firstly, the political relationship between the

national Government of Australia and the national Government of Japan. I am pleased to say that the Japanese regard Australia as one of their strongest allies in the Asia-Pacific region. That was confirmed recently by the visit of Japanese Prime Minister Hashimoto to Australian Prime Minister John Howard in Canberra. The Japanese are very keen for Australia to be part of the Asia-Pacific region. They believe that the Asia-Pacific region should be defined by the people who live in that region and by the countries that form part of that region rather than by some definition of what constitutes Asian values. They are keen to see a regionally defined Asia-Pacific rather than an ethnically or politically defined Asia-Pacific, and because Australia brings its own diversity to that region, they are keen to see us sit on the Asian side of the great political forums that exist in that region.

They also believe that the strong links between Australia and the United States of America are important. They believe that the United States should play an ongoing role in the Asia-Pacific area and that because of Australia's links with the United States, it is a natural ally. In addition, they are very keen to engage China and to be involved in China, and they believe that the Australian Government and Australian businesses have set an example in engaging China in a constructive way.

The relationship between Japan and Australia at the national government level is a matter for the Federal Parliament rather than the State Parliament, but it is important to note the positive relationship that exists between our two countries. What underpins it all is that our countries have vigorous and strong democracies, and that facilitates an easy dialogue between politicians and business leaders from Japan and Australia.

The second heading is the economic relationship between Australia and Japan as mediated by the major Japanese trading companies. The two largest Japanese companies from our point of view are Mitsubishi and Mitsui, and companies such as Marubeni, which have been involved in the development of Western Australia and Australia for many decades. After the Second World War, a complementary economic relationship developed between Japan and the resources industry in Australia, which was organised basically by those major trading companies, and with the support of State and Federal Governments over many years they have come to play a major role in the Australian economy and will continue to do so.

The role of those major trading companies in Australia tends to be fixed. They consider that the Australian market has matured. A massive rate of market growth will not occur in Australia as we have a small population divided by the geography of our country. However, some of the emerging economies have a high rate of consumption demand because of their significant populations. Nevertheless, they still see Australia as an important base in which to invest in the minerals sector, the foodstuffs sector, and the important resources industries generally. This helps to provide raw materials for the Japanese economic machine. Of course, examples arise of Japan investing in our manufacturing industry, most importantly in the motor car business, and we are pleased to see that continue in Australia.

However, not a lot is happening in that relationship as mediated by the major Japanese corporations. They are happy with the established pattern and are pleased that Australia can provide what they believe to be their necessary requirements. They have established headquarters here. Major investments will be considered when it is felt that such investment will produce a good return. However, those corporations will not diversify greatly from that established pattern in the short term. Ways and means may be available to encourage more diversity, and we should be pursuing that, but stability in this pattern leads us to conclude that significant change will not occur in the short term.

I turn now to the third level of the Japanese-Australia relationship, a subject of fascination for me, in which great dynamism is found with factors leading to change and further development. The third level of the relationship is what I call the person to person, region to region, city to city and business to business relationships. One of the best examples of this is the sister state relationship between Western Australia and the Hyogo Prefecture in Japan which has been in place since 1981. The prefecture has established an office in Perth, and the Western Australian Government has set up an office in Kobe which is linked to our Tokyo office.

When I visited Hyogo recently, I took some interest in the earthquake reconstruction. I visited Awaji Island where the epicentre of the earthquake struck, and one can see the fault line; 70 centimetres of land has risen above ground level and tilted to the right, and this caused the great tragedy throughout the Kobe-Awaji area.

The prefecture Government has initiated a major reconstruction program, and little sign can be found of the earthquake itself in Kobe. Certainly, one can see the fault line at Awaji Island. The Government of that region wants to set up trade zones and, through deregulation, encourage foreign businesses to participate in the reconstruction which is seen as a part of their overall economic plan. Already Western Australian companies in the housing construction business are involved in some relationships in Kobe; in fact, Midland Brick paving stones can be seen at the Port of Kobe. As they reconstruct, they are keen to further develop the sister city and business relationships which have emerged. An economic relationship has naturally emerged from the political relationship.

The sister city relationship, and the business relationship between the Chamber of Commerce and Industry and the Kobe Chamber of Commerce, develops the pattern. Interestingly, these patterns are diverse. We can sell our goods and service to Japan in all sorts of ways. Perhaps, these will not gain the same recognition by the major trading companies, but on a small scale good things will happen through the localised relationships; that is happening. Everything in this world must start on a small scale before it moves to the bigger scale. These person to person, business to business, city to city, and State to State relationships which have emerged should be treated very seriously as an important basis on which to diversify our relationship with Japan's economy. Certainly, opportunities will be created through such relationships.

Interestingly, as a State, we can play a role in encouraging our businesses to have access to much bigger markets than those available in Western Australia through this pro-active approach to sister state relationships. I was most encouraged by the continuance of the sister state relationship, and the positive attitude found in Hyogo to that relationship. This has great implications for Western Australia's economic development.

In summary, the Premier should make a statement to this House about the South East Asian currency crisis and provide the best estimates from his departments of the impact that the crisis will have on Western Australia. Also, the Premier should be in constant communication with his federal colleagues and report to Parliament on advice received regarding further developments in the South East Asian economies. Importantly, we rely on the markets in those economies for 70 per cent of our exports.

Finally, our sister state relationship with Hyogo should be seen not just as an expression of friendship between the two regions, but also as the basis upon which we can develop a much more diversified economic relationship from which will emerge real opportunities for Western Australian businesses to expand their markets and, therefore, to employ more people in this State.

MR KOBELKE (Nollamara) [8.28 pm]: I will comment on industrial relations and the policies being pursued by the Department of Productivity and Labour Relations. The Minister and his department issued a press release on Friday, 10 October 1997; the press release came from the department, but as the Minister commented on it, I suspect that he was involved with, if not behind, the release. On Saturday, 11 October, *The West Australian* ran a story on that release which included some of my comments. The first part of the article stated -

A crackdown by government inspectors has uncovered \$90 000 in underpaid wages in WA businesses. Retail and hospitality businesses in Perth's northern suburbs were the main targets in the eight-month operation this year by the Department of Productivity and Labour Relations. It found more than 10 000 pay and 19 000 other breaches in 190 workplaces.

All underpaid workers have been repaid, some businesses coughing up as much as \$23 600 in backpay.

The press release was intended to create the impression that the Department of Productivity and Labour Relations was pursuing unscrupulous employers who were underpaying their staff. However, the truth is something else. The department has been doing some inspections and simply trying to educate employers on their responsibilities. It wanted to see if employers would be generous and give some of the money to their employees, which is their right by law. The department was not trying to enforce the law and ensuring that workers receive the wages and conditions which they are required to receive under the law; it was an education program which has failed to ensure that unscrupulous employers meet their obligations. Some of the people who would have been approached by these inspectors would have been involved in minor breaches and it would have been quite right for them to work in a cooperative way with those employers by informing them of their legal requirements so that they did not continue to transgress. However, not all these employers were under some misapprehension about the law and that was the Minister's and the department's fault. As the press release said, one or more of them had to repay over \$23 000.

The press release indicates that there were 10 000 breaches resulting in unpaid wages and that amounted to \$90 000, which was recouped for those employees. That averages out at roughly \$9 per breach. The point is not that the breaches were minor but that that was the money actually repaid to the workers. The amount owing could have been \$200 000, \$500 000 or \$1m. We were not told in the press release what the amount was. However, we are certain that it was only a fraction of the amount owing. Members should be absolutely clear that, under employment arrangements, whether it be under an award or a workplace agreement, the law lays down certain minimum requirements for the payment of employees. However, these inspectors found 10 000 examples of those requirements being ignored. One of those cases could have involved the same person breaching the law over several weeks and therefore the breaches did not involve 10 000 individuals. One individual may have not been paid correctly for 10 weeks and that would be 10 cases. However, there were 10 000 breaches in 190 workplaces which resulted in the employees recouping on average \$9 per breach. The figures are an indication of the seriousness of the breaches because one employer of the 190 had to repay \$23 000, only a part of what had to be repaid. It is totally unacceptable that unscrupulous employers - crooks - are getting away with that.

I need to place on the record that the overwhelming majority of employers do the right thing. Some of them may have made technical breaches and have fixed them. However, we know that a small minority of totally unscrupulous employers are not being policed to fulfill their legal requirements. I would be surprised if there was a single member on either side of this House who has not received a complaint by an individual who has been ripped off by his or her employer, because it is a growing problem under this Government, which is failing to ensure that employment standards are being upheld.

In answer to a question on notice, the Minister said that the number of prosecutions in 1996-97 was zero. According to the Minister's answer, there had not been a single prosecution in this State by the Department of Productivity and Labour Relations for the underpayment of wages in the 1996-97 financial year. That tells unscrupulous employers that, under this Minister and the Court Government, they can get away with it; it will not matter how they treat their employees or how much they underpay them, if the union does not get onto them, the Minister and his department will not and if they do happen to catch out the employer through a spot check, they will come to some nice, cosy arrangement with the employer to pay part of the amount owing, therefore he will be still ahead. He might have underpaid his employees by \$50 000, but he will be required to repay only \$20 000 or \$30 000, and therefore, he will still be ahead. This Minister's policies encourage unscrupulous employers to rip off employees because they can get away with it. That is our great difficulty with the approach being taken by the Minister and the Government, contrary to the gloss being put on the release by the Minister.

If there were 10 000 breaches in those 190 workplaces, there would have been over 50 breaches per workplace. That little spot check by the department resulted in 50 breaches per workplace! According to the department's release, there were also 19 000 general breaches, other than wages breaches, averaging 100 per workplace. The DOPLAR figures give an indication of the extent of the problem. Granted, the department was targeting areas in which the most complaints were experienced; that is, the hospitality and retail industries in the northern suburbs. The fact that they found that level of non-compliance in those industries is confirmation of a major problem with a small number of employers refusing to obey the laws of this State, and this Government could not get a single conviction for underpayment of wages in the past 12 months.

The Minister responded to the comments I made last week about that press release by attacking me in this place. I will not take issue with that any further because I do not think the Minister's comments were credible. However, I did not attack the officers of DOPLAR; they must implement the policies laid down by the Minister. As is the Minister's right, he dictates the policies under the law, although I am not always sure that he does that within the law. However, accepting that he does it within the law, the officers must do as the Minister tells them. It is clear that they have been told by this Minister to go soft on prosecutions, otherwise, why, when there have been so many people breaking the employment contracts and the law, has there been not one conviction in the 1996-97 financial year?

Mr Kierath: Did you read the release? That was the department's initiative. I did not direct it.

Mr KOBELKE: The Minister had nothing to do with it?

Mr Kierath: I am the Minister, but there was no direction by me.

Mr KOBELKE: I did not say the Minister directed officers of the department to go to individual shops. The level of enforcement lies in the hands of the Minister. The level of recruitment and the funding of officers to investigate and prosecute are controlled by the Minister. If he wanted to beef up prosecutions, he could do it tomorrow.

Mr Kierath: You give me far greater credit than I am entitled to. Your imagination is running away with you.

Mr KOBELKE: I remind the Minister that, in this place last week, when the member for Armadale accused his department of moving quickly to change regulations when this Government came into office, he said that he intervened one or two weeks after he became Minister and told the department what he wanted done. We have example after example of the Minister being a hands-on Minister with his department. When the Minister has a policy interest in areas of his department, he clearly becomes involved. That is on the record in so many places that I do not need to pursue it any further.

More important than the touching of the policy settings by this Minister is the legislation which this Minister has put through the Parliament and enacted.

Mr Kierath: Are you saying that DOPLAR officers should not have done what they did?

Mr KOBELKE: This Minister has difficulty understanding simple matters so I will explain it to him again. Through his statements, this Minister has tried to put a spin on the facts, making them totally different from the reality. The reality is that the inspectors went out to investigate breaches of the law, as they should have. However, the difficulty for me and for the people of this State, particularly the workers who are being used and abused, is that they went soft on the employers who should have been pulled into line for serious breaches of the law relating to the payment of

wages. I am not talking about minor technical cases, although the Minister would have us believe that all cases were minor technical ones. In a moment I will come to a specific case, of which the Minister may know and which he may wish to take up. It shows how serious these issues are and how his department has been either too inept or too under resourced to take up the cases of individuals who have been quite poorly treated outside the law.

Mr Kierath interjected.

Mr KOBELKE: I have answered the Minister's interjection. I return to the point I was making. The biggest area in which this Minister has changed the whole process is the law. We can see that in one clear area, which is the right of entry by unions into workplaces. The Minister has changed the situation from one in which it was difficult for unions to get in to one in which it is nigh impossible to uphold the standards of the employees in a workplace. Unions can now go in only to look at the payment records for a member of the union. Previously they could go in and look across the system. That means that the unions cannot uphold the standards of an industry or of a particular workplace. Unions are a bit ambivalent about that. They want to represent their members. If someone is not a member and has not contributed, clearly union officials might stand back and say, "Those people will get their comeuppance. They are not members of the union." Many unions will go in to protect the interests of non-members. It may be out of a hope of recruiting them but it is certainly out of a need to ensure that standards are maintained. If they allow non-union members to be paid less, they will soon find pressure on their union members, whose wages and conditions will be undermined by people who are working for less. Unions have therefore a principled position to maintain standards. However, through the laws this Minister has put through the Parliament, he will not allow them to go in and look at the books for non-union members. Unions cannot be in a workplace as part of the enforcement and policing arrangements to ensure that standards are maintained.

If this Minister was really about trying to maintain standards in employment and wages, having excluded the unions we might have seen a massive increase in the staff who undertake inspectorial duties for the Department of Productivity and Labour Relations, but that clearly has not happened. The Minister has shut out the unions, but there are no extra officers to go in and do the job that unions often did. This Government is saying, "If you are one of those crooks and unscrupulous employers who are ripping off their employees and breaking the law of this State, go for it. We have saved you from the unions. I am not putting in any more inspectors. You have carte blanche. Get your costs down and rip off your workers. Abuse them in whatever way you can. You will have the competitive edge over the majority of decent employers because they must win contracts against you. They must undercut your price when selling their products or services. The good employers must pay their employees a decent wage and give them proper conditions. If you are a crooked employer, go for it." This Minister is allowing that to happen because he is cutting out the unions and not providing the required enforcement.

We all understand that in nearly all areas business in this State is incredibly competitive. Small businesses are fighting tooth and nail to survive and maintain their trade and to try to compete. In an environment where every few cents count, people cannot have their competitors beating them because they are paying a lower rate to their employees. It has a domino effect through the community. It puts incredible pressure on decent employers who want to do the right thing and do not want to break the law. This Minister is not worried about that. This Minister is saying to the crooks and unscrupulous employers, "Go for it. If we do catch you out, we will give you a rap over the knuckles and you can pay a fraction of what you should pay."

The Minister pooh-poohs what I say. I can give him a dozen examples. Having responded to the Minister's press release and appeared on television, I was rung by a gentleman who said, "You are absolutely right." The gentleman is quite happy to state his case. His name is Mr Sam Galich. He is a single parent with two children, who worked for Mastercare Property Services Pty Ltd as a cleaner in order to look after his family. At one stage he was working at Leederville TAFE and also working for Mastercare, cleaning some of the floors at 197 St George's Terrace. Some Ministers of the Government may know Mr Galich. He has related to me his contact with a couple of them. He spoke of them in a very respectful manner. He saw them as people who had tried to help him. We know that Mastercare has been a beneficiary of this Government's policy of contracting out of cleaning. I am not sure whether Mastercare lost all of its school contracts, but it lost some school cleaning contracts because it did not perform and they had to be taken off it. As far as I am aware Mastercare is still cleaning 197 St George's Terrace.

Mr Galich was having trouble with Mastercare because when he got his pay cheque as a cleaner, which we all understand is not a highly paid job, he found it was not paying him his due wages. Remember, he is a single parent with two children to look after. He had that problem regularly during the period he related to me, basically from August 1995 to the end of 1996. Mr Galich told me that he spoke to Hon Hendy Cowan, the Deputy Premier. He spoke very well of him. He told him his problems and he thought Hon Hendy Cowan might be able to look after them for him. All members know that we try. We might write a letter or talk to somebody but we do not necessarily follow up the problem. The Deputy Premier did not help him but Mr Galich had a very warm regard for him. He also spoke to officers in the office of the Minister for Labour Relations to see if they could help him. He found his way through

to people at DOPLAR. He had not necessarily all of his pay slips but he could document the times he worked for Mastercare and he had other workers who would provide evidence. He simply got fobbed off and told, "Fill out another form. We have written a letter. Wait until we get it back." This went on from 1996 to 1997. He simply was not getting anywhere. He said to an officer at DOPLAR, "I am not a member but I will go to the union." Mr Galich told me that he was told by the officer, who was not merely an officer on the front desk, "Don't go to the union. We will have it fixed up next week for you. Give us another week." Another week went by and no action was taken. From all the phone calls I have had and the people to whom I have spoken when I have tried to confirm Mr Galich's story, I have the impression that he is very persistent. He would have been on to DOPLAR all the time.

He was not a member, but the union made a few approaches on his behalf, I am not sure whether in the form of phone calls or a letter. Things started to move a bit faster. The Chamber of Commerce and Industry of Western Australia came into it as representing Mastercare. We find that the promises kept coming but nothing happened. Mr Galich's view of his pay statements is that he was underpaid by roughly \$4 000. After months and months and continuous inquiries he finally got to the position where he was offered \$1 900 as part payment. This is an example of DOPLAR saying, "You can have part of it. We will come to an agreement. We do not want to prosecute or get heavy."

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

Mr KOBELKE: He was promised the money in two weeks' time. When the two weeks was up, did he get his \$1 900? No he did not. Around he went again, on and on. He ended up receiving a cheque for roughly \$1 400, less tax, out of \$4 000 that he is owed. It does not cover all the period, and the \$4 000 is for the whole period. For part of that period he was working 16 hours a day. He was working eight hours as a cleaner and then working as a security officer at the government offices at 197 St George's Terrace because people were on holiday or sick and he was filling in for a short period. He was not getting paid for it and he still has not been paid for it. What has DOPLAR done? It has done a nice little deal so that he has got \$1 400 out of approximately \$4 000. That is one of many examples where DOPLAR under this Government's law and policy and outsourcing is allowing crooks - I use that word in respect of Mastercare because that is what it was in this case - to get away with it.

Mr Galich is persistent and he is aware that under commonwealth legislation Mastercare Property Services Pty Ltd is required to pay a superannuation guarantee levy. He wants to know whether his superannuation has been paid into the right superannuation fund. Under commonwealth law the superannuation payments for the 12 months ending June 1997 were required to be paid in July. As of this month something in the order of \$100 000 in superannuation levy had not been paid by Mastercare. A company which is the beneficiary of this Government's contracting out is not paying the correct rates to its employees. It did a cosy deal, allowed by the Department of Productivity and Labour Relations, which let Mastercare get away for a fraction of what was required and the company's requirements to pay the superannuation levy have not been met.

Mr Trenorden: That is the Australian Taxation Department's responsibility.

Mr KOBELKE: It is this Government's responsibility to make sure that reputable companies fulfil their contracts.

Mr Trenorden interjected.

Mr KOBELKE: I understand there are difficulties in the law, but the Commonwealth must play its part and this Government must play its part.

This Government is managing a regime which is allowing unscrupulous employers to get away with certain things. It is not about upholding the condition of employment laws of this State. It lets its inspectors ruffle a few feathers occasionally, but it is not ensuring that workers get what they are entitled to under the laws of this State.

Only yesterday the Western Australian Industrial Relations Commission offered \$10 to Western Australian workers, which brings the minimum award level in this State to the commonwealth award level. Employees under commonwealth awards were granted that increase in April this year. This Minister plays the game of deceiving people. He lodged a statement which said, "We would like workers under Western Australian awards to have \$10 more a week, but unfortunately the commission does not have the power to grant it." He tells everyone that the Government promised them \$10, but in the Government's submission to the Western Australian Industrial Relations Commission he said it could not give a general order. He said that under the Minimum Conditions of Employment Act he controlled the safety net level. He argued long and hard for the Government before the Industrial Relations Commission that it could not give a general order to allow the \$10. Now workers have it and I presume he said in the media through his officers that he supported it. The commission said of the Minister's submission -

The Minister's view of the application of the Decision should be given effect in this State to the extent of granting the \$10.00 per week safety net adjustment and establishing wage fixing principles relevant to the State jurisdiction.

It went on to give a summary of the Minister's arguments that it could not do it.

Mr Kierath: The commission says the \$10 should be paid. I could canvass a number of issues which it said it might be considering and we said it was not the appropriate forum in which to do it.

Mr KOBELKE: Without the general award, how will Western Australian workers get an extra \$10?

Mr Kierath: They got the message.

Mr KOBELKE: How would they get the extra \$10 without a general award?

Mr Kierath: You do not use the general order.

Mr KOBELKE: How is it done without a general order?

Mr Kierath: There are a number of different means.

Mr KOBELKE: The Minister is saying they can have it, but he will not let the commission give it to them. He is using tricks instead of looking after the interests of the workers of this State. We see it in respect of the minimum rate under the state award and when it comes to upholding the conditions required under the law of this State, the Minister does not want to uphold those standards. He has no concept of standards in the workplace and we can see from his performance in this House and in his statements to the Industrial Relations Commission that he does not have an understanding of the law.

The Western Australian Chamber of Commerce and Industry, the Minister's ally, had difficulty with the Minister's submission. It said it was happy with the \$10 increase and that a general award would be the mechanism by which workers could get it. They had difficulty understanding how the Minister could say, "You can have the \$10, but the Industrial Relations Commission does not have the power under my legislation to grant it. If it read the second reading speech I made when I introduced the legislation into the House it would see I was against it." Members know that second reading speeches can be used for the purpose of interpretation, but they cannot, as the Minister suggests, be used to override the letter of the law. The Industrial Relations Commission made it clear that the case put by the Minister was that if it read his second reading speech it had to interpret the words in a different way from what it said is the clear intent and understanding of the Act. Therefore, it considered from the wording of the Act that it had the power to grant the increase. The Minister said, "You don't have the power to give it because you have to wait until I am ready to give it." He has set a minimum wage that is lower than the figure under the commonwealth and state awards.

This Minister has an appalling record when it comes to speaking the truth and standing up for the rights of workers in this State. He sees himself as being on an ideological path to push unions aside. He may have had a run in with the unions in the past and has a reason to feel aggrieved by the role unions play. In taking up the crusade to push unions out of the work force he has not tried to ensure that there are other checks and balances to look after the rights of workers and the level of payments.

We hear a lot of noise from the Minister, but what he says does not have much substance. He has a quick tongue that moves before he thinks. We continue to read statements from the Minister which are incorrect and he ends up deceiving the people of this State. The press release on the recoupment of wages was deceiving because many employees go to the Department of Productivity and Labour Relations and do not get any justice. The Minister does not want justice to be done because he is happy for the rip-off merchants and the unscrupulous employers to get away with it. This Minister has an affinity with them, but he has no understanding or compassion for the working men and women of the State who are being abused by his legislation and the control he has over the Department of Productivity and Labour Relations.

MR OSBORNE (Bunbury) [8.58 pm]: I support the Bill. I will, firstly, make some remarks about a project in my electorate which is of great interest to me, and has been for some years. I hope a problem that has arisen with it will be solved within the next few months. Secondly, I will touch on issues that confront this State in the lead up to the Constitutional Convention and the centenary of Federation, in the present context of the debate on a future republic in Australia.

The first issue which I alluded to is a matter I have spoken about before in this Chamber and it relates to the back beach project in Bunbury. The back beach project has been doing the rounds in the electorate of Bunbury for some years, and it relates to the beach area on the coast west of the city. A couple of years ago it was badly affected by winter erosion and the community asked the Bunbury City Council and the State Government to do something of a more permanent nature to rehabilitate the dunes and protect the beach. Ministry of Sport and Recreation data indicate that it is the most popular recreation resource in the electorate, and the significant infrastructure, such as roads, a surf club, and a restaurant, are in danger of being eroded and washed into the sea when the winter storms are very

powerful, as they were two winters ago. The electorate also wanted to take advantage of a couple of other opportunities. For example, an Aboriginal burial ground in the area is trisected by roads and is in an unsatisfactory situation, and a Catholic cemetery which was used by the nuns of the nearby convent in the early years of the city's history is in a very poor state. That needs to be rehabilitated and proper recognition given to the people buried there. The so-called recreation ground is very large public open space that has been used for cricket. The runners' club uses it now, but it does not have a very strong life in the city's recreational activities, and much more could be done with it.

For the past 15 years plans have been going around government departments and the Bunbury City Council, which have all recommended that the back beach area be taken hold of and that something be done to make it a much more attractive resource than it is at present. At the moment it is an eyesore. When I was a member of the Tourism Commission "we went to school" on the back beach of Bunbury, which was a good example of what not to do when developing a coastal area for tourism and recreational purposes. Although there are some motels along the strip, they are cut off from the beach by two lanes of traffic, a median strip, another two lanes of traffic, a median strip, another lane, a parking area and a fence. After 50 metres or so of asphalt it is theoretically possible to get to the beach, but it is not a practical proposition for people with a family in tow. Something needed to be done about that to make it more accessible to tourists staying in that area. The State Government has been generous in supporting the project and has made technical assistance available to the project through LandCorp, the South West Development Commission, and various government departments such as the Ministry for Planning and the Department of Land Administration, and two amounts of \$50 000 to develop a structure plan.

I was fortunate to chair a back beach enhancement steering committee appointed in November last year, which produced what it hoped was a final structure plan for the area. It recommended reorganisation of the reserves and the road system so that the recreation ground was better able to be used and something could be made of the Aboriginal burial site. It recommended some dune restoration and beach protection infrastructure, and possibly a sea wall and surf reef. Groynes went off the agenda fairly early because it was agreed they would not be suitable. The State Government said from the start that we needed some way to finance the project, if at all possible. It was suggested that an A class reserve be used for residential development, and if the land were sold en globo it would realise about \$2m which would go a long way to funding the project.

When that recommendation was published, it soon became apparent that some people of Bunbury were not happy with it. We had looked at the reserve and said it was in a degraded state and was an A class reserve in name only. It had been mined for sand in the past and it was total wasteland. We thought that given all the benefits the project would bring, we might be able to sell the possibility of residential development on the A class reserve to the people of Bunbury. In the event, it was a mistake and I said publicly later that I thought I had made an error in suggesting it could be done. It became clear that, although opposition to the residential component of the development of the reserve was localised, it was very intense and from a community and legislative point of view we would not be able to get the proposal up in that form. I say from a legislative point of view because as all members know, if the purpose of an A class reserve is to be changed, it must be put before both Houses of Parliament in a Reserves Bill. In practice, if there is something controversial about a clause in a Reserves Bill the Government will withdraw the clause and wait for community consensus. It seemed it was a risk to propose residential development on an A class reserve and we would be taking a chance on its getting through the legislative process. If it failed in that legislative process after 18 months or two years, the entire project would be forfeited. In that case, I thought it was better to pull that component out of the project and go ahead with the project that remained. I thought that was a good idea because the key elements would still be intact; that is, the beach and dunes would be preserved. The Bunbury City Council has difficulty with the project because the removal of \$2m meant an additional \$2m of costs. That proposal was the Wellington Street precinct to link the central business district with the beach.

I met you, Madam Acting Speaker (Ms McHale), in the central business district of Bunbury. You have been infiltrating my electorate and disturbing the high level of satisfaction there. It was most surprising to see you there but I trust you had an enjoyable visit. I know you went to the Bunbury art gallery, which is part of the precinct. We are trying to link that area with the beach because people in that area may not realise the beach is so close. One of the great things about Bunbury is its unique position between two bodies of water - the Leschenault Inlet to the north and the sea. We want it to be clear to people that when they are in that area they are in the midst of some attractive water spaces.

The Bunbury City Council is disappointed that the Wellington Street project is no longer part of the development, and \$2m is a lot of money. Nonetheless, it must be excluded otherwise the project will not go ahead. I know the member for Mitchell and the member for South Perth, who is an old Bunbury boy, will agree it is a most important project. However, the loss of an A class reserve and the future potential it offers to the people of Bunbury will be too high a price to pay for the project.

I will speak to the Deputy Premier in the next couple of days as a matter of urgency to ask that the Cabinet minute process be expedited so that approval can be given for an allocation of \$430 000 to allow detailed planning to be carried out in the next financial year, with capital works put in place as soon as possible.

The second part of my remarks tonight relate to a recent trip I was fortunate enough to make to Germany. This trip was under the auspices of the Australian Political Exchange Council.

Mr Barnett: Arduous?

Mr OSBORNE: It was, but I stuck at it and came through in the finish! The Australian Political Exchange Council has two major objectives: The first is to identify - in their words not mine - young political leaders with the potential to make a contribution to Australia and to send them on trips to America -

Mr McGowan: Could they not find young ones? I want to go. You should have asked me.

Mr OSBORNE: We have a view on this side of the House: "Early to ripen; early to rot". Liberals tend to mature at a later age than other people.

Ms MacTiernan: The member for Rockingham is a Granny Smith; he will last forever.

Mr OSBORNE: As I said, they were the council's words, not mine; I was flattered to be viewed as a young political leader with potential to make a contribution. The member for Armadale, who just entered the Chamber, has also been on a trip to Germany, as has John Whitelaw, who works in the office of the Leader of the Opposition. Although I did not have the electrifying range of experiences the member for Armadale seems to have had, it was a great experience and a benefit to us in our perception of the political system in Germany compared with the situation in this country.

Mr McGowan: Did you meet Helmut Kohl?

Mr OSBORNE: Yes, I did.

Mr McGowan: Is he as imposing in person as he appears on television?

Mr OSBORNE: Yes; he has an unmistakable aura about him. In a country such as Germany, which is plainly a significant world power, one of the world's leading economies, with 82 million people and a GNP greater than the British and French GNPs combined, a significant world figure such as Helmut Kohl is inspiring.

Mr McGowan: Does he speak English?

Mr OSBORNE: No, but I have good German skills so we got along fine. I met him in Stuttgart on 3 October, which was the seventh anniversary of the reunification. One of the great challenges Germany faces at the moment is reunification of the former East Germany. It is spending about DM160 billion each year remediating environmental disasters left behind by the previous regime, particularly the Soviet army. It is also bringing up to scratch infrastructure, such as roads, railways, canals and ports in the former East Germany.

Other members in the group were Philip Davis from Victoria; Meredith Dickie, Vice President of the National Party in Victoria; and some very talented young people from the Australian Labor Party, such as Renay Sheehan, who I understand works for the member for Peel and who previously worked in the office of the former Labor Treasurer, John Dawkins. She is a talented person, who although she said she was not interested in a political career should consider it because she is the sort of person we need in this place. Other members of the party were: Jill Hennessy, the President of the Australian Labor Party in Victoria; and Samantha Pidgeon, another very talented young Labor person from Queensland. Interestingly she was very excited at the prospect of returning to Australia because she was looking forward to contesting preselection for the seat of Dickson.

Mr McGowan: She should have stayed over there.

Mr OSBORNE: The member for Rockingham was in here being positively orgasmic about the prospect of Cheryl Kernot joining the Labor Party.

Mr McGowan: I would not go that far.

Mr OSBORNE: He was waxing lyrical. It is not my place, but I caution him about Cheryl Kernot. As Brian Toohey said in *The West Australian* on Monday, there are only a couple of possibilities open: Cheryl Kernot must take a high leadership place in the Labor Party which means she must cut Simon Crean's, Gareth Evans' or possibly Kim Beazley's throat. As Brian Toohey said, if she does not take a high leadership place in the Labor Party she will disappear from sight. Her move will not be as positive for the Labor Party as its members believe it will be because they have taken a rat into their ranks and as good, strong Labor people that should be anathema to them.

Mr Barron-Sullivan: The member for Rockingham thinks she will make a great leader.

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

Mr OSBORNE: I do not think the ALP will succeed with this strategy of recruiting high profile people. It must encourage people such as Renay Sheehan, Jill Hennessy and Samantha Pidgeon - its own young talent. As Sam Pidgeon might have said, if the ALP was such a great party why did Cheryl Kernot not join 17 years ago? I do not think members opposite should congratulate themselves on having a person with those qualities in their party. However, that is their business and I will not spend too much time talking about it.

The group visited Berlin, which will become the German federal capital in 1999. We visited Bonn and talked to the federal Departments of the Environment and Agriculture. We had meetings with members of political parties and with the staff of the Bundestag, the German Parliament. We had a briefing on the operation of the German federal system and talked to trade officials and business leaders at a function at the Australian Embassy.

The decision to move the capital to Berlin is something about which I would be pretty uncertain if I were a German. That decision was narrowly supported by the German people. Berlin is an extremely impressive city, but it contains much of the past, such as Prussian militarism, the Victory Column, the Brandenburg Gate, and echoes of the Nazi period.

Ms MacTiernan interjected.

Mr OSBORNE: Everywhere there are memories of the Cold War. Berlin is the old Germany whereas Bonn is the capital of a free and prosperous Germany currently enjoying the longest period of peace and prosperity since it became a nation.

Ms MacTiernan: You are aware that Berlin was the only part of Germany that did not support Hitler. He got a majority everywhere else in Germany except Berlin. It has always been the most international of German cities. For that reason it is quite appropriate that it be the capital city.

Mr OSBORNE: I am not sure I agree; I do not have firm views. I have mixed feelings about Berlin. As the member for Armadale says, it is a significant world city. Everywhere one looks there are enormous cultural and social resources. Obviously it is one of the major world cities and always will be. Although Hitler enjoyed no political success in the city itself he took it over and left his stamp on it in the way the city is laid out, exemplified by the massive size of the monuments.

Mr McGowan: The Americans left a bit more of a stamp on it.

Mr OSBORNE: That is Germany's business and when it has spent a vast amount of money to shift the federal capital to Berlin the people will settle in and the great spirit of the German people today, evident everywhere one travels, will overcome any of those vestiges which may or may not exist as a result of Berlin's history.

The three situations I wish to relate to the situation in Western Australia which I was interested in examining when in Germany was the progress of reunification, how Germany is handling its integration into Europe, and the operation of its federal system of government. As I said earlier, reunification has been an enormous challenge for Germany. It is spending approximately DM160 billion a year just on cross-subsidising the former East German state to bring its infrastructure and economic and social development into some sort of parity with the rest of the country. That is a huge drain on its economy and is having a great impact on its currency. Reasonably, the German people flagged that they were tiring of the tax surcharge of 7.5 per cent used to pay for that process, and that tax was recently reduced to 5 per cent.

The federal system in Germany has some lessons for Australia. We are currently considering our Federation, which is not quite what we agreed to when we first entered our Federation in 1901. It has become more centralist and unitary, and the States have lost a lot of the influence and the financial independence they enjoyed until 1942. Germany has always considered itself to be a nation of tribes. That idea is apparent in a state like Bavaria, which has a population of some 11 million people and an economy equal in size to that of Switzerland or Austria. Bavaria has its own national anthem, and a distinctive language which is as different from hochdeutsch as Austrian. However, they still see themselves as a loose part of the German Federation.

Mr McGowan: Austria had the highest proportion of SS officers.

Mr OSBORNE: Most came from Austria and Bavaria, and Hitler was Austrian originally.

They see themselves as German, yet they have a lot of independence and fluidity in the system to allow the Länder states to operate quite independently. This situation is helped by the structure of the Parliament. The Bundestag is the proportional representation lower House and the Bundesrat is analogous to our Senate, yet it contains members

of State Parliament. Therefore, in our context, the Premier and members of State Cabinet would sit in the Senate. That gives the Länder a great deal of influence in the German federal system.

Ms MacTiernan: What do you think of their electoral system at a state level?

Mr OSBORNE: I did not have time to examine the state system; we saw the federal system in Bonn. The states have their own taxing powers, which is important as it gives them freedom to make decisions about how services are delivered at the state level. Importantly, our State Government is attempting to put such issues on the agenda as we move to the Constitutional Convention and the centenary of Federation.

The integration of Germany into Europe is very interesting to observe, not only for Germany but also for Europe generally. Existing national boundaries all over Europe are possibly becoming less relevant. We will see a future European Union to which subnational units will relate independently. There are some independent movements of varying strengths in pretty much every country in Europe. A movement has force in Padania in northern Italy, and the Catalans and the Basques in Spain are looking for independence. Yugoslavia is already broken up, as is Czechoslovakia into the Czech Republic and the Slovak Republic. The Flemish and the Walloons in Belgium see themselves as distinct units within the European Union.

Prime Minister Blair is applying an extremely interesting process in the United Kingdom in which the Scots and the Welsh are being offered much greater independence in the UK political system. What Tony Blair is doing in the UK can be instructive to us in Australia; it could be a pointer to the way the Federation in this country could operate. As an Irish woman, Madam Acting Speaker, you would have an interest in this process. In fact, Ireland has enjoyed a resurgence in Europe, as it has been able to relate to the European Union in a new and stimulating way. Instead of being overshadowed by the United Kingdom, it is now able to obtain support from the European Union. It is described as the "Green Tiger of Europe", so well is the Irish economy performing.

Scotland has great potential also. It is a nation of six million people, and is similar in size, population and gross national product to Norway, with which it has strong ethnic, historical, linguistic and trade links. Great excitement is evident in Scotland about the possibility of a new and exciting future in Europe.

The scenario has some implications for Western Australia. It is possible for us to seek a looser, more flexible and less centralised Federation in this country. From a geographic point of view, WA is extremely isolated, so we should be able to develop much closer relationships with countries to our north - Singapore, with which we have strong common interests, is an example of that potential. We should think again about the unitary, centralised and socialist republic which some people in the eastern States are trying to draw us towards. I object to that process.

Mr McGowan: Which socialist republic?

Mr OSBORNE: It is the theoretical ideal to which the ALP aspires.

Mr McGowan: That is a bit childish.

Mr OSBORNE: I do not mean to be provocative and generalise too much, but if one is to be extreme in a sense, one would describe that ideal as a unitary and socialist republic. I am not saying that the member for Rockingham, or any member opposite, personally aspires to that ideal. However, it is exactly the wrong extreme for this country.

Mr McGowan: Where is the socialist aspect?

Mr OSBORNE: It is the ALP! I thought the member would have picked that up straightaway.

I reiterate my support for the legislation. We should fight for an outcome in the constitutional debate which suits our interests and history in Western Australia.

Mr McGowan: Will Dr Helmut Kohl be coming to Bunbury?

Mr OSBORNE: No. However, Australia should do everything it can to reconfirm its links with Germany. It is clearly the largest economy in Europe, and it disappoints me that much of our perception of Europe is derived from media based in the United Kingdom. Many of our diplomatic and trade people are still based in London, and much of our thinking on that continent is English-centred. Germany is a much more important and significant economy, and what happens in Germany is much more important to the future of this country in relation to Europe than events in the United Kingdom.

MS MacTIERNAN (Armadale) [9.29 pm]: I will later add to the comments of the member for Bunbury. It is obvious that his Nordic and Germanic roots have been strung very tightly of late as he seeks a realignment of our traditional interests in this country. It is an interesting concept. I will be interested to see the outcome of his trip to Iceland, which I understand he has planned for the near future.

Mr Osborne: I will get a select committee up on thermal power.

Ms MacTIERNAN: That is right. I will be very interested to see what trade and cultural opportunities might be afforded to us all by the member for Bunbury straying into those cold waters.

I would like to raise an issue which touches upon my shadow portfolio, soon to be portfolio.

Mr Johnson: Not for a long time.

Ms MacTIERNAN: My dear boy! I refer the member to the polls that have been coming in continually showing the Labor resurgence. We will certainly be having lots of royal commissions established and every sort of inquiry under the sun once we get back in government.

Mr Johnson: Thankfully it will not be for a long, long time.

Ms MacTIERNAN: I do not think so. It may be after the end of the member's political career, but not very long.

Members may recall that some months ago during a debate on the legislation introduced to abolish the Hairdressers Registration Board, I raised the rather, I believe, tragic case of the students of the erstwhile Lyn Gerovich School of Hair Design. The situation affected some 35 women who had each paid \$10 000 to obtain a hairdressing qualification. They were enticed to enter into this course by literature and statements made to them by Ms Gerovich, the principal of the school. I am looking at one document which was sent to them. It reads -

An exciting new career prospect.

You could be a professional hair designer in 12 months. Of course, to succeed in any career, you need the right education. For the first time, you can be trained in WA's only Government accredited private training College!

As I explained at the time, those women had signed up and in many instances had gone into substantial debt to fund themselves through this course and to not only pay the fees but also take a year off work to undertake the training program. Some of them have mortgaged their homes in order to do this. A number of the women were mothers who were seeking to re-enter the workforce; others were young women whose families were attempting to get them into long term, stable and skilled employment. None of the women I met had substantial assets. When they found at the end of the course that they were not qualified hairdressers and were not able to hang out their shingle and practise in their chosen profession, they were of course very distressed. When they discovered they must do two or three years of apprenticeship, they were even more distressed. Their evidence is that had they known that, there was no way they would ever have entered into that program. The majority say that the reason they entered the program was that they were unable to find apprenticeships. They would hardly be entering a course in order to become qualified hairdressers if they were aware that at the end of that process they would basically have to start again and find an apprenticeship.

A development has occurred in this case since I last spoke on it. It turns on the issue of the women's possible legal remedy. A case was held some months ago in the Small Claims Tribunal. If I am correct, I understand that the case was taken by the college against one of the students who had not paid the entire fee. The student's case was, "We were not delivered what we were promised, hence there was a breach of contract by the college. I should not be required to pay the full fee." Seventeen of this woman's fellow students gave evidence to the Small Claims Tribunal of the representations made by Ms Gerovich. Documents were presented and tabled, such as the one from which I have quoted. Notwithstanding this the student in question lost her case because Ms Gerovich appeared in the court with a deed of acknowledgment. The deed states amongst other things, "I am currently obliged to serve a three year apprenticeship commencing at the conclusion of the 12 months course." The deed goes on with a whole series of detail about the regulations gazetted under the Industrial Training Act. Ms Gerovich produced these documents in respect of a variety of students. Those students were absolutely flummoxed by this. Their evidence is that none of them had ever seen this document. Each student denied having ever signed such a document.

What is also interesting is that these deeds of acknowledgment purport to have been witnessed by various people. Most of the documents appear to be witnessed by teachers at the college. When the students approached the teachers at the college, it appears that they were told by those teachers, "No, we did not sign a document of this nature." The evidence of the three teachers involved is all slightly different because the students went through three different courses. I have spoken to one of these teachers who said words to the effect, "No. I was presented with a whole pile of documents. I never witnessed these documents in front of any of these students. I was presented by Ms Gerovich" - who in her words was a very disorganised person - "with a bunch of documents and asked to sign them." She certainly did not witness the students signing the document. She also says that she is 99.9 per cent sure that the document that she signed in the witnessing column was not the document that was presented by Ms Gerovich. She said, "I would have remembered if it was this document because this document" - as I read out before - "mentions

the fact that a three year apprenticeship was to be completed after the end of the 12 months' training course." She said that was completely antithetical to the whole point of the course. The course had always been marketed and promoted on the basis that at the end of the 12 month period one would be a qualified hairdresser. She said she would have been immediately struck by a clause such as that and would have remembered distinctly if she had been presented with a document that had mentioned the apprenticeship. It was not until the course was completed some 12 months later that she became aware of this problem that the students would face. That teacher was Lisa Cunningham.

Some of the other documents from one of the other schools were signed by a Ms Sue Finn. I have not spoken directly to Ms Finn but the evidence presented to me by students who have spoken to her is that she did sign some documents but they were not the documents that were handed out. Indeed, she remembers quite clearly that the documents she signed did not have a student's name at the top. She remembers the documents as being very short and being of only A5 size and not the A4 size which it is now claimed she signed.

The third teacher whose name appeared as the witness to the signature says that she did not sign any of the documents in front of the students. Like the first teacher, she was presented with a pile of documents and asked to sign them.

Mr Bradshaw: Why would she sign those other documents?

Ms MacTIERNAN: She was asked to witness the pile of documents she was given. Apparently, she had started at the school some weeks before that and was asked by the principal to countersign these documents, which she did although she questioned it and was concerned about what she was doing. Nevertheless, she was assured it was all right. I have not spoken to her directly, although I have spoken to one of the other teachers whose story is similar. They were not witnessing the signatures of any of the students.

When the supposed existence of these deeds of acknowledgment was raised in the Small Claims Tribunal understandably the students were very upset because it totally undermined their claims for any remedy. I understand they went to the Hairdressers Registration Board again and statements were taken by the staff of the board and because of the gravity of their claims they were referred to the fraud squad. The fraud squad decided it would investigate and after doing that it gave the documents a clean bill of health. This was confirmed by the questions I have asked the Minister for Police in question time.

I have found before that sometimes investigations by the fraud squad are not what they seem to be. Perhaps I have been watching too many television dramas, but one would normally expect that if there was to be an investigation the complainants would be interviewed and a written statement would be taken from them. Everything would be done before a decision was made, but that was not the way this investigation was undertaken.

As far as the Opposition can determine only one of the 35 students was contacted by the fraud squad. That student had a chat with Detective Sergeant Bernie Iriks. The detective sergeant did not take a written statement from her and ask her to sign it. It was a casual chat. He said to the student, Sonya Dohring, that he had seen a document which she was supposed to have signed. He did not have a copy of that document and he did not present her with a copy of it for her to inspect. She explained to him in great detail that she had never signed a deed of acknowledgment of the type that was claimed. She went on to explain to him that she had spoken to the teacher who was supposed to have acknowledged the signature, and asked the police officer to also interview Ms Sue Finn. Interestingly, the police officer did not interview Ms Finn.

The police officer went on to tell Ms Dohring that he had also seen her signature as a witness to the statement of another student, Elsie Hathaway. Ms Dohring said she had never signed a document as a witness, nor would she as a fellow student. At no time did this police officer obtain a copy of her signature to compare with the documents that apparently he did not have in his possession. Detective Sergeant Iriks interviewed one of the teachers, Ms Lisa Cunningham, and she gave the evidence I described earlier; that is, as far as she could remember she had never signed any documents in front of students, but she did remember being handed a pile of documents and being asked to sign them all at once. She believed it was highly unlikely it was the document she signed because it mentioned a three year apprenticeship whereas that had never been discussed in the context of the training course.

Notwithstanding that sort of evidence, Detective Sergeant Iriks was able to conclude some days later that there was no problem and that these documents were all genuine. He had not interviewed the students, he had not taken the signatures of the students against which to compare the signatures that appeared on the documents and he had not interviewed a number of the key witnesses, including two of the teachers who were supposed to have witnessed these documents. This was a very strange investigation of the fraud allegation and certainly on the basis of the material that has been presented to me so far one could not have any confidence that this matter had been dealt with in a proper fashion.

These students feel that the odds are stacked against them. Ms Gerovich has told them time and again that she has

friends in high places. I was flicking through my file and I came across an article that appeared in the *Sunday Times* on 26 May. It was a little bit of public relations that Ms Gerovich had done. The article reads -

The hairdresser said she had to overcome a range of difficulties from union protests to a bureaucratic maze.

Her biggest help came from none other than Labour Relations Minister Graham Kierath.

She does have friends in high places! Last time I spoke on this issue I tabled an unusual document, a letter from the Minister to the State Employment and Skills Development Authority, which has since been abolished, stating that he was concerned it had been delaying the application by Ms Gerovich and as he had something to do with the formation of the body he suggested that it get moving on the application pretty quickly. It is clear that there has been some involvement by members on the government side of the House in assisting Ms Gerovich in her case.

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

Ms MacTIERNAN: I have had a note passed to me and I certainly cannot verify the truth of its contents, but it says that Bernie Iriks has been an active member of the Liberal Party. Of course, that makes it even more interesting. I thank the member for Girrawheen for alerting me to that because it was a dimension of the case of which I was entirely unaware. It has been indeed a most strange investigation. The complainants were not interviewed, the witnesses to the documents were not interviewed, samples were not taken of the signatures that were allegedly copied, and in a couple of days a conclusion was reached, which was never explained to anyone, that all was hunky-dory and Ms Gerovich was given a clean bill of health.

Mr Bradshaw: Have you taken this to the ACC?

Ms MacTIERNAN: No, I have not taken it to the Anti-Corruption Commission. I have brought it to this place tonight because I hope, as I hoped when I asked questions in Parliament, that the Minister for Police might enlighten us as to the precise nature of the investigation that Detective Sergeant Iriks has undertaken. This has very strong parallels to a matter with which I dealt last year, where supposedly a complaint of corruption against a WorkSafe inspector was investigated. We were told quite confidently by the Attorney General in another place that this fellow had been given a clean bill of health by the fraud squad and that was the end of the matter. The Opposition sought more information and asked whether the complainant had been interviewed. The answer was that he had been interviewed. The Opposition asked on what date. It was said that he had been interviewed in February-March or around that time. The Opposition asked whether any notes had been taken of the interview. We were told it was not thought necessary to do so. The person involved said that he was never approached. The Government's response was that he had not been called in but had been telephoned. The Opposition asked to see the day running sheet that lists the telephone calls made during the day. We were told the file could not be found. It became so implausible that one of the assistant commissioners had to initiate an investigation into the investigation. This may well be the action that is needed today. Again, I do not think it is appropriate that the investigation be undertaken by members of the fraud squad.

I raise these matters in the hope that there might be some response from the Minister for Police, and he might be able to enlighten us as to the precise nature of the investigation that has taken place. If it is true that a proper investigation has been carried out, and if there is clear, concise evidence that these allegations of fraud are unfounded, the Opposition will happily accept that and not take the matter any further. On the evidence to date, opposition members are far short of being convinced that this matter has been properly dealt with. I am even more concerned tonight, given the strong connection Ms Gerovich has with the Government and the great help various Ministers have been to her in getting her operation up and running, and in light of the information that the detective sergeant investigating the case was at one point an active member of the Liberal Party, that there has not been a truly candid report.

I urge the Minister responsible, if there is a Minister responsible who is taking up these issues, to refer this matter to the Minister for Police and come back to the Parliament with a proper and full explanation of the investigation that took place. The Opposition will continue to press this case at every opportunity until good evidence is presented to the Parliament so that we can all be assured that justice has been done.

MR MINSON (Greenough) [9.55 pm]: I will briefly comment in the context of appropriations and budgets about the question that has been raised in this House several times in the past couple of weeks; that is, the Oakajee development and the proposed southern transport corridor. I will not be particularly controversial, but I have been connected with this development for a long time and I want to place some information on the record. I do so partly because I want it on the record and partly because any members paying attention may be informed about the history of some of these matters. In particular, I will establish the parameters surrounding the discussion on the southern transport corridor. There is some confusion.

There are two plans; the southern rail option plan and the southern road option plan. When added together they equal

the southern transport corridor. It is not necessary to build one because the other has been built. Unfortunately, from time to time there is a certain amount of confusion. However, there is no doubt that the bulk of the funding discussed - the figure varies between \$60m and \$80m - would be directed to relocating the rail. There is quite a history to the relocation of the rail along the Geraldton foreshore. I will apprise members of that history. Going back a decade or more, the then member for Geraldton, Hon Jeff Carr, had a burning desire for the railway line to be shifted from the foreshore at Geraldton. He had broad support for that. He also wanted the railway marshalling yard shifted from the centre of the city, and certainly had broad support for that, and he wanted the marina to be built. He succeeded in having the marshalling yard shifted to an appropriate location 7 or 8 kilometres out of town and in having the marina built. However, the rail remains. History will record that the shifting of the rail was cosmetic and nothing else. I do not think there was any pretence at the time that it was anything but a desire to improve the cosmetic appearance of Geraldton and to give the city back its foreshore.

Many things have happened since then and, in particular, there has been considerable discussion about where a steel mill might be located. The only area zoned heavy industrial in the whole region is at Narngulu. When it was set aside 20 or so years ago, this area was probably considered very appropriate but it was not intended that a steel mill would ever be built there. At that stage heavy industry did not take into account anything as large as a steel mill. As events transpired - I will not go through what has been presented by several Ministers in the last week or so - there was a high probability that a 1.4 million tonne steel project, which I always knew from information behind the scenes would increase to at least 2.5 million tonnes, would be located at Narngulu.

It is patently obvious that we could not transport coal and scrap iron from the wharf and, in the opposite direction, slab steel through to the port without creating problems that the people of Geraldton would not tolerate. A similar situation would arise with trains running through Geraldton with the frequency the project would necessitate, particularly taking into account the trains that will probably go through if the Mt Gibson project proceeds; then it would be necessary to do something dramatic to shift that railway line from along the foreshore.

An old scheme to put in place the southern transport corridor was pulled out from the bottom shelf and rejuvenated. It was discussed as a necessity rather than as a cosmetic measure to improve the foreshore of Geraldton. I make it clear to members that the southern rail option does not come without a cost. Unfortunately, some people hold the view that we could build a southern rail option that would not go near anyone and would not be obtrusive. The fact is that there is a cutting, I think 60 feet or 80 feet deep, which will split Tarcoola and south from the rest of Geraldton. In one of the plans the cutting runs between a high school and a primary school and so close to both that it almost destroys two school campuses.

Mr Barnett: The advice from the Education Department is that the school would be redundant under those circumstances.

Mr MINSON: It would make it impossible to let the school continue. I do not think I am breaching Cabinet confidentiality when I say that if the new rail became a necessity I would agree only if it was in a tunnel. That would make it an expensive option. The proposal therefore went from a cosmetic one and a nice idea to one of absolute necessity if the company that had purchased heavy industrial land were given the go ahead by the environmental and other agencies required to give their approval. I could see that the State would have no option but to put in that transport corridor. If people think that railway line and road transport corridor could be put in place without upsetting many people's lives and carving up a number of backyards they should have a closer look at the map.

The project is most likely now be established at Oakajee and I sincerely hope it is. Before I became involved in politics I was an advocate of shifting industry north of Geraldton, which is the appropriate place for it in view of the prevailing winds. If it is moved to the north of Geraldton the southern rail option particularly - I am concentrating on that because it requires the big cutting and at least \$60m worth of expenditure; the road option is relatively cheap in comparison - reverts to being a cosmetic matter to give Geraldton back its foreshore.

I do not have a problem with that; we would all like to see that railway line removed. However, what would be the most appropriate way to do that? I am not convinced that all of the planning has been done. If we want to get rid of that railway line we must think laterally. I spoke to the engineers involved in the Subiaco Redevelopment Authority railway work. I gave them the hypothetical situation of burying a railway line involving fairly easy digging but a lot of salt water and a single track, without a railway station. They said they were building the Subiaco railway for about \$34m. It is a twin track involving a railway station, roadworks and a lot of stuff that goes with it. They said, on description, that sinking the line at Geraldton would cost somewhere between \$15m and \$25m a kilometre. I have measured the distance both on a map and on the ground -

Mr Osborne: From the air?

Mr MINSON: I looked at it from the air, but did not measure it. I think we could bury about 2.5 kilometres to

3 kilometres of track which would give Geraldton all its foreshore back from about the yacht club to the other side, King and Brown Electrics, which is the area which includes the beach, the city and the marina. The railway line could therefore be removed. It could also have a little off-shoot to the old railway station which would enable it once again to be used. I do not think we should underestimate that proposal.

I do not know whether technically the line can be buried or whether those costings are silly. I am not convinced that the studies have been done. It was represented to me that the gradients, particularly at the port end which would take the trains up from the tunnel in time to be marshalled and properly put in place for what must be done at the port, could make that proposal unfeasible. I can accept that if engineers tell me what will happen and that that would be a problem. I suspect those studies have not been done and I would like to see them done.

The road access into the Geraldton port is not a problem. We could tidy it up a little bit, but the access from the north would not be affected by the southern corridor. The access from the east would not be enhanced in any way, and the current access from the south has no traffic lights and nowhere that vehicles need to stop. It goes straight through to the port but the southern road option would mean that the trucks carting wheat into the silo would take a little longer.

Mr Barnett: It is probably no better or worse than the North Quay at Fremantle.

Mr MINSON: It is now better. There is no justification for the southern road option unless I have completely missed something. I have been involved in the issue for a long time, so I do not think I have missed anything. I believe a complete rethink is necessary.

Two events must take place before we make a decision. This is where I openly disagree with the Minister for Transport. First, the decision to build at Oakajee must be made. That will tell us whether Narngulu is to become the site for a steel mill. I say again that if the steel mill reverts to Narngulu the southern road and rail option will become an absolute necessity. If it does not a second question must be answered, I suspect by the Greenough Shire Council: What will happen to the Narngulu industrial site? If I were the Shire of Greenough and people of Geraldton I would want to have Narngulu deregistered as a heavy industrial site. The sloping ground from the top of the scarp should be turned into residential land and all the flat land, which is perhaps not as attractive to live on, could revert to light industrial and commercial.

Geraldton would have the best of both worlds; it would not require a new railway line and it would not need the southern road option. However, two events must take place. The Oakajee decision must be made and the decision must be made by the people of Greenough, the shire in particular, on what would happen to what would then be a largely uninhabited heavy industrial site. It would be a mistake to leave it zoned as heavy industrial.

I will make a few comments on what an Oakajee port might do for current port users. That area has been talked about a lot. I make it clear that the construction of an Oakajee port was never predicated, in my wildest dreams or in anyone else's, on the Geraldton port closing. The Geraldton port can and should continue to exist for as long as people want it to exist. As long as people are prepared to go through the port and to fund it and as long as its throughput and tonnage are enough to justify its existence, it should be left. It is not a problem. Whoever raised the furphy that the Geraldton port would be closed has done a great disservice to the area.

The second point I must put to bed is that under no circumstances has anybody talked about pulling up the railway line if it were still required. There is no pressure from people living along the railway line to pull up the line. This matter has puzzled me. There has been no pressure locally, except from the city fathers who, rightly, would like to get that stretch of coastline back so there was not a railway line between their city and the coast. I raise the question: Is it worth \$80m or so of our money, which I think would be nearer the final figure, to get rid of it? If we are to spend that money, is it the best use of those funds in the area? If the Government is to spend that sort of money, perhaps it could put the railway line where it would suit everybody; that is, under the ground. The brief discussions I have had with consulting engineers indicate it is possible to do that. That would be the best use of the money.

What will the new port do for current port users? The first obvious thing is that it will open up a number of choices for them. I am not saying they would exercise those choices. I make no comment about the economics of those choices if people decide to exercise them. Nevertheless, having a deepwater port about 25 kilometres away gives people options that they may want to explore. For example, if people cart grain in that area, they pay about \$2 a tonne excess because the ships coming into Geraldton harbour cannot be filled up; there is not enough draft. If a grain handling facility were located at Oakajee, ships would be able to be topped up and there could be two port loading in the Geraldton area, thereby cutting out that extra \$2 a tonne. There are a number of choices.

We do not know who will build the Oakajee port. There has been a lot of debate about that matter. Frankly, I believe it is a silly debate because we are talking about the development of a large and expensive port. All members know the Government must negotiate through these matters. The Government is committed to seeing there is a port there,

if and when Kingstream commits and starts significant construction. A figure of \$100m has been mentioned, but I do not know whether that is right. Once the company spends that amount, the Government will ensure the port is built. However, we do not know how it will be funded because those negotiations are ongoing.

Let us say the private sector wants to build the port. I have heard people ask who in the private sector would want to spend that amount of money. There are many big investors around. Insurance companies and finance companies, for example, do not want to have one million small investments. They would rather have two or three very large, long term investments that they know will give them a good return over the next 40, 50 or 100 years. Let us say one of these fairy godmothers comes over the hill and wants to build the port. That organisation may say it will build a grain handling facility and a handling and loading facility for RGC Mineral Sands Limited and say to the two companies involved that they can use the facility for a certain figure per tonne. Over a period that matter may resolve itself. I am not saying it will. I do not want anybody to be mischievous enough to misquote me on this matter. However, these are alternatives, the answers to which we do not know. It is sensible to wait until we do know the answers.

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

Mr MINSON: We do not know whether the port will be built and whether it will be built by the Government, the private sector, or a number of private sector operators, or a combination of all of them. Let us have those decisions made. There is no need to close the port at Geraldton if a port is built at Oakajee. There is no pressure to pull up the railway line. There is certainly no pressure on the road system to gain access to the current Geraldton port. It would be unintelligent to proceed at this time with construction of the southern transport corridor in its entirety. I do not mind a little planning being done; however, I am opposed to money being committed at this time and construction starting. It would be premature. I admit that in time, when everything becomes clear, it may be necessary. I would hate to be responsible for spending \$80m and waking up one morning and saying we need not have spent that amount and that it was a waste of money. That is not a good use of taxpayers' money. We owe the taxpayers of Western Australia much more than that.

Roads such as the road from Mullewa to Morawa are in burning need of being replaced and upgraded. Many things must be done in the Greenough and Irwin shires. In the Irwin shire there are no bitumen roads outside the main roads. All the subroads in the area that run through farming land are gravel and for a large part of the year most are difficult to traverse.

Dr Hames: It sounds as though you need to pay slightly higher council rates.

Mr MINSON: No, the matter has an interesting history. I will not bore the House with it now. If the Government is to spend \$80m on the port, let it wait and ensure that is the best use for it. If it is not needed, it can be spent more wisely another way. If the \$80m is spent on fixing up or getting rid of railway lines, let us plan all the options. I have not seen anything that says 2.5 or 3 kms of track could not be buried and the road system tidied up. That would be far better. It would have my support, the support of the member for Geraldton, and the wholehearted support of the entire region.

I close by making a brief comment about the Oakajee port. I have already brushed on this matter. I believe members in this place who have spoken at length about this matter over the past month or so are doing some damage to the An Feng-Kingstream project. Many countries, particularly those of Asia, do not understand the peculiarities of Western Australian and Australian politics. They are much more used to parliamentary rule as opposed to the rule of law. Some of them do not understand and appreciate that it does not matter what people say in this place, and neither does it matter who is on which side of the House, if they have a contract, they have the protection of the law here. A contract is a contract, regardless of who is in government. However, they are used to the rule of Parliament, when, if a Parliament changes, the whole scenario changes. I am becoming a little concerned that some of the talk in this place will jeopardise what is probably one of the only chances this State will have for a long time to get in place what it has always dreamed of; that is, the downstream processing of some of its iron ore and minerals. We are not talking about just a direct reduced iron process plant, but about something that will go right through to slab steel. I will be surprised if we do not see boutique steel makers setting up alongside the plant, getting access to some of that material and mixing with it some of the trace elements that are available in that mid-west mining region to create high quality boutique steels: Tool steels, steels for high quality engine products and so on.

Although the temptation in this place may be to take advantage of the political opportunities placed before members, everybody in this place, certainly every party, supported the agreement Act when it passed through Parliament. It is with considerable disappointment that I hear the nonsense coming from people who should know better; I will not point the finger at any particular person, but these comments are having an effect. If in a few months' time this project falls over, I hope the people who have been chipping away trying to score a few cheap political points will reflect on what they helped to achieve.

It is not easy to fund a steel mill which will cost about \$1.4b in total when most of the funding must come from overseas, perhaps from several countries. All products are to be exported. We are dealing with a huge consortium from a few countries. Bankers may come from other countries, and in turn they will need to raise capital from other countries again. We must be careful when opening our mouths in this place that we do not muddy the waters and shoot down the project.

I wanted to get those comments off my chest. If people reflect for a while, they will understand that the project is crucial to the area. Such projects will not come along every day, and this one is almost a gift from a fairy godmother. I ask members to stop the political gamesmanship. Let the project proceed and stop trying to muddy the waters.

I sat in Cabinet when many of these decisions were made. Unfortunately, I have seen some people pointing the finger at the Premier. However, the Premier acted on every occasion with the utmost propriety: He refused to stay in the Cabinet room when the matter was discussed because of his brother's connection with the project. All talk of impropriety must stop. It is nonsense. All talk about poor planning must also stop.

Any member with half a brain and who knows how to put together a commercial operation of this size will know that once the project is announced, it is subject to funding and various other approvals; therefore, a long period of negotiation must take place. The gestation period sometimes can be years. Just because the project has been announced, people want and expect every detail which they then use for political advantage. To do this is unacceptable to the people of this State, particularly to the people of Geraldton and the mid-west.

If I do nothing else, I appeal to people to show some commonsense and decency and to stop trying to undermine the project for short-term political gain. If this project is shot down because of stupidity in this House, the State will wear that loss for about the next 50 years.

Debate adjourned, on motion by Ms Anwyl.

House adjourned at 10.24 pm

QUESTIONS ON NOTICE

Answers to questions are as supplied by the relevant Minister's office.

EXMOUTH RESORT AND CANAL DEVELOPMENT - TRADE CENTRE PTY LTD

Delay in Consideration of Proposal

1691. Mr BROWN to the Premier:

- (1) Is the Minister aware of proposals by Trade Centre Pty Ltd to develop a resort on the west coast of Cape Range?
- (2) Prior to the 1996 State election, did the Premier take any action or fail to take any action which would result in a delay in the proposal being considered by Government?
- (3) Was consideration of the proposal delayed for political, environmental or commercial reasons?
- (4) Did discussions take place within Government about delaying consideration of the proposal for political and/or other reasons?
- (5) Did the Premier have discussions about such an approach being taken?

Mr COURT replied:

- (1) Yes.
- (2)-(5) Any development in an environmentally sensitive area such as Cape Range requires careful examination and discussion. There have been several expressions of interest in developing tourist facilities in the Cape Range area. Each expression of interest is receiving due and careful consideration by the Government.

GOVERNMENT INSTRUMENTALITIES - CONTRACTS

Value and Terms

1830. Mr BROWN to the Minister for Lands; Fair Trading; Parliamentary and Electoral Affairs:

- (1) What functions or services has each department or government agency under the Minister's control contracted out since 1993, stating -
 - (a) the date;
 - (b) the amount;
 - (c) the recipient;
 - (d) whether the recipient was Western Australian, Australian or foreign; and
 - (e) the term of the contract,for contracts worth the following amounts -
 - (i) more than \$100 000;
 - (ii) between \$50 000 and \$100 000;
 - (iii) between \$10 000 and \$50 000;
 - (iv) between \$1 000 and \$10 000?
- (2) What functions or services are being planned or intended to be contracted out by each department or government agency under the Minister's control during the current term of government, stating -
 - (a) the approximate date it will take place;
 - (b) the amount;
 - (c) the recipient;
 - (d) whether the recipient is Western Australia, Australian or foreign; and
 - (e) the term of the contract,for contracts worth the following amounts -
 - (i) more than \$100 000;
 - (ii) between \$50 000 and \$100 000;
 - (iii) between \$10 000 and \$50 000;
 - (iv) between \$1 000 and \$10 000?

Mr SHAVE replied:

- (1) Procuring services from the private and not-for-profit sector is and has traditionally been part of the routine business of government. In 1995/96, public sector agencies spent an estimated \$2.3 billion on many thousands of contracts across an extremely diverse range of goods and services. Unfortunately, the information sought by the member for Bassendean is not readily available and would require considerable resources to collect. I would like to direct the member's attention to those public documents emanating from the State Supply Commission in regard to expenditure on goods and services. Furthermore, I will ensure that the member is provided with a copy of the report on the third annual survey of competitive tendering and contracting in the public sector, which sets out broad information on the level and nature of contract expenditure on services.

The Government is well aware of the potential benefits in the provision of information pertaining to contracts. These data are useful tools in assisting local businesses to identify opportunities to supply to Government as well as providing relevant information to potential subcontractors and subsuppliers to Government contractors. Work has already commenced on developing systems which will assist in the provision of information relating to the public sector's purchasing and contracting activities. Investigations are proceeding to identify effective ways of publishing such data in electronic form. These measures will also fulfill the Government's commitment to implement the Commission on Government's recommendation 11.

- (2) It is not possible to determine the extent of contracting out which will occur during the remainder of the Government's current term. The report on the third annual survey of competitive tendering and contracting referred to above, however, includes some information on agencies' contracting intentions and the type of services likely to be market tested. In line with the Government's competitive tendering and contracting policies, public sector agencies will continue to progressively review their activities in order to identify potential contracting opportunities with the aim of providing best value-for-money and quality services to the community.

GOVERNMENT INSTRUMENTALITIES - CONTRACTS

Value and Terms

1834. Mr BROWN to the Minister representing the Minister for Finance:

- (1) What functions or services has each department or government agency under the Minister's control contracted out since 1993, stating -

- (a) the date;
- (b) the amount;
- (c) the recipient;
- (d) whether the recipient was Western Australian, Australian or foreign; and
- (e) the term of the contract,

for contracts worth the following amounts -

- (i) more than \$100 000;
- (ii) between \$50 000 and \$100 000;
- (iii) between \$10 000 and \$50 000;
- (iv) between \$1 000 and \$10 000?

- (2) What functions or services are being planned or intended to be contracted out by each department or government agency under the Minister's control during the current term of government, stating -

- (a) the approximate date it will take place;
- (b) the amount;
- (c) the recipient;
- (d) whether the recipient is Western Australia, Australian or foreign; and
- (e) the term of the contract,

for contracts worth the following amounts -

- (i) more than \$100 000;
- (ii) between \$50 000 and \$100 000;
- (iii) between \$10 000 and \$50 000;
- (iv) between \$1 000 and \$10 000?

Mr COURT replied:

The Minister for Finance has provided the following response:

- (1) Procuring services from the private and not-for-profit sector is and has traditionally been part of the routine business of government. In 1995/96, public sector agencies spent an estimated \$2.3 billion on many thousands of contracts across an extremely diverse range of goods and services. Unfortunately, the information sought by the member for Bassendean is not readily available and would require considerable resources to collect. I would like to direct the member's attention to those public documents emanating from the State Supply Commission in regard to expenditure on goods and services. Furthermore, I will ensure that the member is provided with a copy of the report on the third annual survey of competitive tendering and contracting in the public sector, which sets out broad information on the level and nature of contract expenditure on services.

The Government is well aware of the potential benefits in the provision of information pertaining to contracts. These data are useful tools in assisting local businesses to identify opportunities to supply to Government as well as providing relevant information to potential subcontractors and subsuppliers to Government contractors. Work has already commenced on developing systems which will assist in the provision of information relating to the public sector's purchasing and contracting activities. Investigations are proceeding to identify effective ways of publishing such data in electronic form. These measures will also fulfill the Government's commitment to implement the Commission on Government's recommendation 11.

- (2) It is not possible to determine the extent of contracting out which will occur during the remainder of the Government's current term. The report on the third annual survey of competitive tendering and contracting referred to above, however, includes some information on agencies' contracting intentions and the type of services likely to be market tested. In line with the Government's competitive tendering and contracting policies, public sector agencies will continue to progressively review their activities in order to identify potential contracting opportunities with the aim of providing best value-for-money and quality services to the community.

GOVERNMENT INSTRUMENTALITIES - CONTRACTS

Value and Terms

1836. Mr BROWN to the Minister representing the Minister for Racing and Gaming:

- (1) What functions or services has each department or government agency under the Minister's control contracted out since 1993, stating -

- (a) the date;
- (b) the amount;
- (c) the recipient;
- (d) whether the recipient was Western Australian, Australian or foreign; and
- (e) the term of the contract,

for contracts worth the following amounts -

- (i) more than \$100 000;
- (ii) between \$50 000 and \$100 000;
- (iii) between \$10 000 and \$50 000;
- (iv) between \$1 000 and \$10 000?

- (2) What functions or services are being planned or intended to be contracted out by each department or government agency under the Minister's control during the current term of government, stating -

- (a) the approximate date it will take place;
- (b) the amount;
- (c) the recipient;
- (d) whether the recipient is Western Australia, Australian or foreign; and
- (e) the term of the contract,

for contracts worth the following amounts -

- (i) more than \$100 000;
- (ii) between \$50 000 and \$100 000;
- (iii) between \$10 000 and \$50 000;
- (iv) between \$1 000 and \$10 000?

Mr COWAN replied:

The Minister for Racing and Gaming has provided the following response -

- (1) Procuring services from the private and not-for-profit sector is and has traditionally been part of the routine business of government. In 1995/96, public sector agencies spent an estimated \$2.3 billion on many thousands of contracts across an extremely diverse range of goods and services. Unfortunately, the information sought by the member for Bassendean is not readily available and would require considerable resources to collect. I would like to direct the member's attention to those public documents emanating from the State Supply Commission in regard to expenditure on goods and services. Furthermore, I will ensure that the member is provided with a copy of the report on the third annual survey of competitive tendering and contracting in the public sector, which sets out broad information on the level and nature of contract expenditure on services.

The Government is well aware of the potential benefits in the provision of information pertaining to contracts. These data are useful tools in assisting local businesses to identify opportunities to supply to Government as well as providing relevant information to potential subcontractors and subsuppliers to Government contractors. Work has already commenced on developing systems which will assist in the provision of information relating to the public sector's purchasing and contracting activities. Investigations are proceeding to identify effective ways of publishing such data in electronic form. These measures will also fulfill the Government's commitment to implement the Commission on Government's recommendation 11.

- (2) It is not possible to determine the extent of contracting out which will occur during the remainder of the Government's current term. The report on the third annual survey of competitive tendering and contracting referred to above, however, includes some information on agencies' contracting intentions and the type of services likely to be market tested. In line with the Government's competitive tendering and contracting policies, public sector agencies will continue to progressively review their activities in order to identify potential contracting opportunities with the aim of providing best value-for-money and quality services to the community.

GOVERNMENT INSTRUMENTALITIES - INDEMNITIES

Nature and Extent of Liability

2039. Mr KOBELKE to the Minister for Lands; Fair Trading; Parliamentary and Electoral Affairs:

- (1) Have any agencies or departments for which the Minister is responsible offered any form of indemnity or remain liable under any indemnity?
- (2) If any such indemnity has been offered then -
 - (a) to whom has it been extended;
 - (b) what is the reason for the indemnity;
 - (c) what is the maximum potential liability that could be called on through this indemnity?

Mr SHAVE replied:

- (1) There are two sources of power for the Government to offer a guarantee or indemnity. They are either:
 - (a) offered pursuant to a specific statutory power to do so, in which case they are characterised as a Statutory Guarantee or Indemnity or,
 - (b) if there is no specific statutory provision, the guarantee or indemnity is referred to as a Surety.

Some common guarantees and indemnities, generally those which are not offered pursuant to a statute, referred to above as "sureties", are:

 - (c) incidental to another function, such as the purchase of a good or service (for example a contract where the purchaser indemnifies the supplier of software against any unauthorised use of that software or a contract for advertising where the advertiser indemnifies the publisher against legal action arising out of the publication of the advertisement) or,
 - (d) granted to persons or officers in the performance of their duties for the State or for any public authority or public body of the State (some of which are statutory).

All Statutory Indemnities, Guarantees and Sureties which are either (c) or (d) are excluded from the operation of Treasurer's Instruction 821 (TI 821).

TI 821 requires all indemnities and guarantees which are not of the excluded types, statutory and otherwise, to be entered in a register. They are then included in the Treasurer's Annual Statements which are tabled in Parliament. For details of all such guarantees and indemnities as at 30 June 1996 see the Treasurer's Annual Statements 1995-96. TI 821 does not apply to indemnities falling within (c) and (d). This is appropriate as the nature of these indemnities means that they arise as part of the everyday affairs of government.

- (2) Researching contracts entered into in order to ascertain whether there is an incidental indemnity in each contract would be an unreasonable diversion of resources. It would also not be a particularly useful exercise because:
 - (a) in many instances the contract has already been successfully completed;
 - (b) circumstances surrounding a contract and an arising claim may give rise to an implied obligation to indemnify even where there is no express obligation; and
 - (c) it would be impossible to state any maximum potential liability.

GOVERNMENT INSTRUMENTALITIES - INDEMNITIES

Nature and Extent of Liability

2043. Mr KOBELKE to the Minister representing the Minister for Finance:

- (1) Have any agencies or departments for which the Minister is responsible offered any form of indemnity or remain liable under any indemnity?
- (2) If any such indemnity has been offered then -
 - (a) to whom has it been extended;
 - (b) what is the reason for the indemnity;
 - (c) what is the maximum potential liability that could be called on through this indemnity?

Mr COURT replied:

The Minister for Finance has provided the following response:

- (1) There are two sources of power for the Government to offer a guarantee or indemnity. They are either:
 - (a) offered pursuant to a specific statutory power to do so, in which case they are characterised as a Statutory Guarantee or indemnity or,
 - (b) if there is no specific statutory provision, the guarantee or indemnity is referred to as a Surety.

Some common guarantees and indemnities, generally those which are not offered pursuant to a statute, referred to above as "sureties", are:

- (c) Incidental to another function, such as the purchase of a good or service (for example a contract where the purchaser indemnifies the supplier of software against any unauthorised use of that software or a contract for advertising where the advertiser indemnifies the publisher against legal action arising out of the publication of the advertisement) or,
- (d) granted to persons or officers in the performance of their duties for the State or for any public authority or public body of the State (some of which are statutory).

All Statutory Indemnities, Guarantees and Sureties which are either (c) or (d) are excluded from the operation of Treasurer's Instruction 821 (TI 821).

TI 821 requires all indemnities and guarantees which are not of the excluded types, statutory and otherwise, to be entered in a register. They are then included in the Treasurer's Annual Statements which are tabled in Parliament. For details of all such guarantees and indemnities as at 30 June 1996 see the Treasurer's Annual Statements 1995-1996. TI 821 does not apply to indemnities falling within (c) and (d). This is appropriate as the nature of these indemnities means that they arise as part of the everyday affairs of government.

- (2) Researching contracts entered into in order to ascertain whether there is an incidental indemnity in each contract would be an unreasonable diversion of resources. It would also not be a particularly useful exercise because:
- (a) in many instances the contract has already been successfully completed;
 - (b) circumstances surrounding a contract and an arising claim may give rise to an implied obligation to indemnify even where there is no express obligation; and
 - (c) it would be impossible to state any maximum potential liability.

GOVERNMENT INSTRUMENTALITIES - INDEMNITIES

Nature and Extent of Liability

2045. Mr KOBELKE to the Minister representing the Minister for Racing and Gaming:

- (1) Have any agencies or departments for which the Minister is responsible offered any form of indemnity or remain liable under any indemnity?
- (2) If any such indemnity has been offered then -
 - (a) to whom has it been extended;
 - (b) what is the reason for the indemnity;
 - (c) what is the maximum potential liability that could be called on through this indemnity?

Mr COWAN replied:

The Minister for Racing and Gaming has provided the following response:

- (1) There are two sources of power for the Government to offer a guarantee or indemnity. They are either:
 - (a) offered pursuant to a specific statutory power to do so, in which case they are characterised as a Statutory Guarantee or indemnity or,
 - (b) if there is no specific statutory provision, the guarantee or indemnity is referred to as a Surety.

Some common guarantees and indemnities, generally those which are not offered pursuant to a statute, referred to above as "sureties", are:

- (c) Incidental to another function, such as the purchase of a good or service (for example a contract where the purchaser indemnifies the supplier of software against any unauthorised use of that software or a contract for advertising where the advertiser indemnifies the publisher against legal action arising out of the publication of the advertisement) or,
- (d) granted to persons or officers in the performance of their duties for the State or for any public authority or public body of the State (some of which are statutory).

All Statutory Indemnities, Guarantees and Sureties which are either (c) or (d) are excluded from the operation of Treasurer's Instruction 821 (T1 821).

T1 821 requires all indemnities and guarantees which are not of the excluded types, statutory and otherwise, to be entered in a register. They are then included in the Treasurer's Annual Statements which are tabled in Parliament. For details of all such guarantees and indemnities as at 30 June 1996 see the Treasurer's Annual Statements 1995-1996. T1 821 does not apply to indemnities falling within (c) and (d). This is appropriate as the nature of these indemnities means that they arise as part of the everyday affairs of government.

- (2) Researching contracts entered into in order to ascertain whether there is an incidental indemnity in each contract would be an unreasonable diversion of resources. It would also not be a particularly useful exercise because:
 - (a) in many instances the contract has already been successfully completed;
 - (b) circumstances surrounding a contract and an arising claim may give rise to an implied obligation to indemnify even where there is no express obligation; and
 - (c) it would be impossible to state any maximum potential liability.

MINISTRY OF JUSTICE - INVESTIGATIONS AND INFORMATION AND ANALYSIS SECTIONS

Vehicles - Private Plates

2168. Mr RIEBELING to the Parliamentary Secretary to the Minister for Justice:

- (1) How many vehicles are currently allocated to the investigations section?
- (2) How many vehicles are currently allocated to the information and analysis section?
- (3) How many of these vehicles have private plates?
- (4) What reasons are given on the vehicle justification forms to -
 - (a) retain these vehicles;
 - (b) have them with private plates?
- (5) How many individuals in the investigations section have a vehicle specifically allocated to them?
- (6) How many individuals in the information and analysis section have a vehicle specifically allocated to them?
- (7) In what way may these vehicles be used -
 - (a) in working hours;
 - (b) outside of working hours?
- (8) Do Ministry of Justice investigators conduct their investigations at any other location other than Ministry of Justice buildings or property?
- (9) If so, under what circumstances and whose authorization?
- (10) Do the Ministry of Justice investigators identify themselves on all occasions prior to interviewing anyone?
- (11) Do the Ministry of Justice investigators inform any person they interview during the course of an investigation of that person's rights?
- (12) What was the budget for the Ministry of Justice investigations section for -
 - (a) 1993-94;
 - (b) 1994-95;
 - (c) 1995-96;
 - (d) 1996-97;
 - (e) 1997-98?
- (13) How many investigations were conducted by the investigations section during -
 - (a) 1993-94;
 - (b) 1994-95;
 - (c) 1995-96;
 - (d) 1996-97?
- (14) How many public servants are currently under investigation or have been under investigation during 1996-97?
- (15) Do the Ministry of Justice investigators have to conform with the Public Sector Management Act 1994 when investigating public servants?
- (16) Has the Ministry of Justice allowed any employee to resign as a result of information gathered during an investigation in -
 - (a) 1992-93;
 - (b) 1993-94;
 - (c) 1994-95;
 - (d) 1995-96;
 - (e) 1996-97,

without charges being laid?
- (17) If yes, how many for each year?
- (18) Why were they allowed to resign rather than be subject to disciplinary proceedings?

- (19) Does the Minister approve of the system of allowing someone to resign rather than face disciplinary or criminal action?
- (20) Has anyone who has previously resigned to avoid disciplinary or criminal proceedings been re-employed by the Ministry of Justice?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply:

- (1) 4.
- (2) 3.
- (3) 4.
- (4) (a) Call out duties after hours and on weekends in relation to internal investigations.
(b) Surveillance duties and attendance at private residences.
- (5)-(6) Nil.
- (7) (a) Investigation purposes and Information Analysis duties.
(b) 1 x vehicle on the Executive Vehicle Scheme. Other vehicles used for call out duties eg escapes and deaths in custody.
- (8) Yes.
- (9) Investigative purposes under the Manager's authority.
- (10)-(11) Yes.
- (12) The details sought are not readily available. I am not prepared to direct considerable resources to obtain this information.
- (13)-(14) See (12).
- (15) Yes.
- (16) Any decision to resign is that of the employee.
- (17) Not applicable.
- (18)-(20) See (16).

PRISONS - DEATHS

Number

2176. Mr RIEBELING to the Parliamentary Secretary to the Minister for Justice:

- (1) How many deaths in custody have there been in each financial year from the 1990-91 financial year?
- (2) How many critical incidents have there been in each of these financial years?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply:

- (1) The number of deaths in prison custody by financial year are as follows:
- | | |
|---------|---|
| 1990/91 | 6, of which 5 were as a result of causes other than suicide/homicide# |
| 1991/92 | 4 |
| 1992/93 | 6 |
| 1993/94 | 2 |
| 1994/95 | 6 |
| 1995/96 | 6 |
| 1996/97 | 9 |

includes cases where death originally appeared to have resulted from suicide but where the Coroner returned an open finding or returned a finding of death by accident.

- (2) The number of critical incidents in each of the financial years are as follows:

1990/91	0
1991/92	0
1992/93	0
1993/94	0
1994/95	1
1995/96	0
1996/97	1

HEALTH - METROPOLITAN HEALTH SERVICE

Board - Voting Rights of Members

2286. Dr CONSTABLE to the Minister for Health:

- (1) Further to the Minister's answer to question on notice 2013 of 1997, does each member of the Metropolitan Health Service Board have equal voting rights?
- (2) If no to (1) above, what are the voting rights of each member?

Mr PRINCE replied:

- (1) Yes, each member of the Metropolitan Health Service Board have equal voting rights.
- (2) Not applicable.

PRISONS - PRISONERS

Restaurant Access

2297. Dr CONSTABLE to the Parliamentary Secretary to the Minister for Justice:

With reference to the report in Inside Cover in *The West Australian* on 23 May 1997, and further to the Minister's answer to question on notice 1780 of 1997, is it normal procedure for prisoners to be permitted access to restaurants on the way to or from an authorised appointment?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following response.

No.

HOSPITALS - CARDIAC SERVICES UNITS

Third Unit - Justification

2315. Dr CONSTABLE to the Minister for Health:

- (1) Further to question on notice 1623 of 1997, in 1993 or any year after that, has any person employed or contracted by or on behalf of the Health Department or the Government, provided the Government with advice to the effect that a third public cardiac surgical unit in Perth was not justified on any grounds?
- (2) If so -
- (a) who provided the advice;
 - (b) what was the substance of the advice;
 - (c) what were the stated reasons against establishing a third public cardiac surgical unit;
 - (d) when was the advice provided;
 - (e) what, if anything, did the advice cost;
 - (f) is the advice publicly available; and
 - (g) what was the response of the then Minister for Health to the advice?

Mr PRINCE replied:

- (1) No formal reports were received on behalf of the Health Department or the Government in 1993 or after, providing advice on the need for a third public cardiac surgical unit.
- (2) (a) However, cardiologists working at Royal Perth Hospital and Sir Charles Gairdner Hospital wrote to the Premier and Minister for Health.

- (b) The advice was that it was inappropriate to establish a third cardiac surgery unit in Perth for a considerable time.
- (c) Insufficient caseload to justify an additional unit.
- (d) In February 1993 and subsequently.
- (e) Nothing.
- (f) Yes.
- (g) In response to substantial community support, the Government made a commitment, prior to the 1993 State election, to the establishment of a cardiac surgery unit south of the river. The Government always continued to indicate that it intended to honour this commitment.

HOSPITALS - CARDIAC SERVICES UNITS

Review

2316. Dr CONSTABLE to the Minister for Health:

Further to the Minister's answer to question on notice 1624 of 1997, why did the Fremantle Hospital Board no longer consider the review necessary?

Mr PRINCE replied:

The board decided it was not appropriate to review the need for a cardiac surgery unit at Fremantle Hospital in view of community expectations and staff commitment to it.

HOSPITALS - CARDIAC SERVICES UNITS

Review

2318. Dr CONSTABLE to the Minister for Health:

- (1) Further to the Minister's answer to question on notice 1625 of 1997 in the report by Professor Hickie, Professor Baird and Dr Keaney do the authors recommend the establishment of a fourth (as opposed to a third) cardiac surgery unit in Perth?
- (2) Will the Minister confirm that the report -
 - (a) after considering the relative merits of establishing a second public cardiac surgery unit at either Sir Charles Gairdner Hospital or Fremantle Hospital, decided in favour of the former; and
 - (b) never considered, let alone recommended, the establishment of a third public cardiac surgery unit at Fremantle Hospital?
- (3) Will the Minister confirm that, in a memorandum from the Chief Executive Officer of Fremantle Hospital to the then Minister for Health dated 15 June 1994, the Chief Executive Officer stated that -

"the actual demand for cardiac surgery in Western Australia has reached an apparently stable level of around 1400 cases per year. With three units currently operating in Perth . . . it is difficult to raise a sound clinical or economic case for the establishment of a fourth such unit."
- (4) Given the Chief Executive Officer's views, on what basis did the Government decide to establish the cardiac unit at Fremantle Hospital?

Mr PRINCE replied:

- (1) No.
- (2) (a) Yes.
- (b) Although the establishment of a third public cardiac surgery unit was not considered at the time, consideration was given to the advantages of Fremantle Hospital as a site for cardiac surgery.
- (3) Yes.
- (4) The Government was responding to community support, south of the river, for the establishment of a regional cardiac surgery service.

HOSPITALS - FREMANTLE

Cardiac Services Unit - Establishment

2320. Dr CONSTABLE to the Minister for Health:

- (1) Further to part (2) of the Minister's answer to question on notice 682 of 1997, will the Minister confirm that the initial announcement that the Fremantle Hospital cardiac services unit was to be established (as opposed to the decision to allocate capital funding) was made in January 1993 as an election promise when the Government was in opposition?
- (2) If no, when was the promise first announced publicly?

Mr PRINCE replied:

- (1) Yes.
- (2) Not applicable.

YOUTH - LEADERSHIP TRAINING SCHOOL FOR YOUTH

Development

2326. Mr PENDAL to the Minister for Youth:

- (1) I refer to the long-running dispute between the Minister's office and the State Government generally, and Mr Peter Edwards, founder of Horizon Youth Training, and designer and sponsor of the concept of a Leadership Training School for Youth, and ask, has the Minister's office been pursuing the development of a Leadership Training School for Youth?
- (2) Will the Minister outline in detail the origins of the concept for the training school?
- (3) Was the concept now being pursued by the Minister submitted to the State Government for comment in October, 1995?
- (4) Did Mr Geoff Leatt-Hayter, of the Office of Youth Affairs, state in a fax message to Mr Edwards on 6 August 1996, that his office was pursuing the development of the Leadership Training School, based on a report initiated by the Governor?
- (5) Did the Governor's proposal result from Mr Peter Edwards' submission of a report *The Governor's School - A Discussion Paper* two copies of which had been delivered to the Governor on 29 September and 30 October, 1995, one copy intended for the Governor and one for the Premier?
- (6) Did Mr Edwards, at the Governor's request tender an invoice for the preparation of the preliminary report and the proposal and was subsequently paid \$4 950?
- (7) Did Mr Edwards meet with Mr Jim Eftos, of the Office of Youth Affairs, to discuss further development of the scheme and that Mr Eftos advised that the Government had agreed in principle to establish the project based on Mr Edwards' intellectual property?
- (8) Did the Minister and the Government then cut Mr Edwards adrift from his own proposal and begin to implement the scheme as though it was the Government's or the Governor's?
- (9) Is the Minister aware of legal advice of the "...apparent but ill-conceived belief by officers of government that by paying (Mr Edwards') invoice all intellectual property interests subsisting in the proposal have been transferred to the government..."?
- (10) Has Mr Edwards' copyright and confidential information been misused by the Government?
- (11) Will the Minister agree to the appointment of an independent arbiter to report to him on whether Mr Edwards' scheme has been plagiarised by the Government?

Mr BOARD replied:

- (1) The Government has made a commitment to investigating the feasibility of establishing a Leadership Training School. There is no commitment to establishing a "Leadership Training School for Youth" as envisaged by Mr Peter Edwards. The member will recall that he was offered a briefing on this matter in a letter from the Premier dated 1 November 1996.

- (2) The concept arose from a wide range of discussions, and from an awareness of programs already under way.
- (3) No.
- (4) Yes.
- (5) It is not appropriate for me to respond on behalf of the Governor.
- (6) Mr Edwards tendered an invoice for \$4,950.00 which he was subsequently paid.
- (7) Mr Edwards has met with various officers from Government agencies, including Mr Jim Eftos. Mr Eftos did not advise as indicated in the question.
- (8) No. A review of the youth leadership training concepts is being carried out by an independent consultant, following a call for tenders. The consultant's report is due by the end of November 1997. No scheme has yet been implemented.
- (9) I am aware of legal advice received by Mr Edwards, presumably on the basis of information he has provided his legal advisers. This is contrary to legal advice received by the Office of Youth Affairs.
- (10) No.
- (11) There is no scheme. At this point in time we are awaiting a report from an independent consultant on possible proposals. There are therefore no grounds for claiming plagiarisation.

GOVERNMENT CONTRACTS - QUALITY ASSURANCE CERTIFICATION

2332. Mr BROWN to the Minister for Works:

- (1) Has the Government agreed that companies bidding for Government tenders do not need to have achieved formal quality assurance certification?
- (2) When was this change implemented?

Mr BOARD replied:

- (1) No. The Quality Assurance Policy requires public authorities calling tenders or quotations to specify an appropriate method of assuring quality applicable to the goods and services being purchased. Where the public authority decides that the procurement is critical or high risk then a requirement for formal quality assurance certification should be specified. Where the procurement is considered non-critical or low risk then alternative methods of assuring quality can be specified. The policy does not always require suppliers to hold formal quality assurance certification, but rather to meet the quality requirement specified for individual purchases.
- (2) Not applicable.

SCHOOLS - HIGH

Cadets Program - Statistics

2359. Mr BROWN to the Minister for Youth:

Further to question on notice 1798 of 1997, can the Minister advise -

- (a) how much was paid to each cadet program;
- (b) the name of the school/s at which each program operated;
- (c) the number of cadets and instructors in each program and at each school,

for the 1996-97 financial year?

Mr BOARD replied:

- (a) Amount paid in each Cadet Program

Police Rangers	\$157,860.00
Naval Reserve Cadets	\$ 16,740.00
Army Cadet Corps	\$ 37,170.00
Air Training Corps	\$ 36,810.00
Emergency Services Cadet Corps	\$223,650.00

(b)-(c) Police Rangers

School	Cadets	Instructors
Balga Senior High School	42	1
Ballajura Community College	48	4
Broome Senior High School	42	4
Churchlands Senior High School	29	2
Hamilton Senior High School	44	3
John Forrest Senior High School	28	5
Newman Senior High School	35	4
Nullagine Primary School	17	2
Pinjarra Senior High School	25	2

Naval Reserve Cadets

South Fremantle Senior High School	32	4
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Army Cadet Corps

Carnarvon Senior High School	22	3
Eastern Hills Senior High School	52	2

Air Training Corps

Swanleigh Residential College	83	4
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Emergency Services Cadet Corps

Belmont Senior High School	100	9
Beverley District High School	29	4
Clarkson Community High School	72	4
Collie Senior High School	15	4
Exmouth District High School	30	4
John Septimus Roe Anglican School	75	3
Jurien District High School	62	3
Maddington Senior High School	130	7
Mandurah Senior High School	50	5
Mt Magnet District High School	14	1
Northam Senior High School	36	4
Ravensthorpe District High School	24	2
Swanview Senior High School	14	2
Yanchep District High School	20	3

St John Ambulance Cadets

Central Midlands Senior High School	15	3
Kent Street Senior High School	25	1
Willetton Senior High School	41	3

MINISTRY OF JUSTICE - NEWMAN

Community Legal Service Officer - Provision of Vehicle

2373. Dr GALLOP to the Parliamentary Secretary to the Minister for Justice:

- (1) Why is the Community Legal Service officer in Newman not provided with a vehicle when the area this officer covers includes Newman, Marble Bar and Jiggalong?
- (2) Is the Minister also aware that when this officer travels to Marble Bar or Jiggalong, the officer is required to catch a bus to Port Hedland, collect a government vehicle to then travel on to those areas, returning the vehicle to Port Hedland before catching the bus home to Newman?
- (3) What actions will the Minister take to alleviate this unsatisfactory situation?

Mrs van de KLASHORST replied:

- (1)-(3) The Pilbara Community Legal Service is not a State Government authority or instrumentality. It is a private organisation based in South Hedland, providing an outreach service to a number of remote and isolated towns. Its activities are overseen by a management committee comprising various community representatives. It receives funding from a limited number of sources including, for several years, funding from the WA Department of Family and Children's Services for the position of a financial counsellor based in Newman. The provision of a vehicle to the Community Legal Service Officer in Newman is a matter for the management committee to determine when allocating priorities in the expenditure of its funds.

BROTHELS - ADVERTISING

2382. Ms WARNOCK to the Minister for Health:

- (1) Is the Minister aware that local brothels are advertising in *The West Australian* for female sex workers who specifically practice open mouthed kissing with clients?
- (2) Is the Minister aware that many forms of sexually transmitted diseases, including a variety of hepatitis strains can be transmitted orally?
- (3) Is it a concern that the practice of open mouthed kissing between sex workers and clients is being encouraged by advertisements of this nature?
- (4) Is there any action the Minister can take to prevent or deter this behaviour being encouraged in local brothels?
- (5) If yes, would the Minister detail the action?

Mr PRINCE replied:

- (1) No.
- (2) Unless there is transmission of blood sexually transmitted diseases are not usually transmitted through kissing.
- (3) Yes, if there is the potential for blood to be transferred from one person to another.
- (4) Yes.
- (5) Sex worker education is in place to advise about the dangers of sexually transmitted diseases. Health Department of Western Australia specifically funds peer based education to sex industry workers in Western Australia.

HEALTH - WESTERN AUSTRALIAN WOMEN'S HEALTH ORGANISATION

Funding

2385. Ms ANWYL to the Minister for Health:

- (1) I refer to the Western Australian Women's Health Organisation (WAWHO) and ask , does the Minister acknowledge that WAWHO is a key service provider of women's health services?
- (2) If so, what steps are being taken to ensure continued funding for WAWHO?
- (3) If not, why not?
- (4) what are the names and addresses of all women's health organisations receiving State Government funding?
- (5) When is a decision expected to be received from the Federal Government with respect to the proposed cut to the Commonwealth allocation?
- (6) What detail is known about the amount of that cut?

Mr PRINCE replied:

- (1) The Western Australian Women's Health Organisation (WAWHO) is a recently formed network of coordinators representing the 13 Women's Health Services located across the State. While WAWHO is not a direct provider of women's health services, the organisation does play an important role in supporting its membership through information and resource sharing, advocacy and improved linkages with rural service providers. I have met with representatives of WAWHO and have acknowledged to them that the organisation is a key stakeholder in the non-Governmental women's health sector.
- (2) WAWHO does not receive any funds from the Health Department.
- (3) While WAWHO is an invaluable network, the Health Department does not provide grants to assist networks or other organisations in activities which do not involve the direct purchasing of services. However, WAWHO has been advised that, where appropriate, member service providers should consider making funding allowances for travel and accommodation costs associated with WAWHO meetings in their annual business plans.

- (4) See paper No 792.
- (5) Western Australia is expecting to receive the full amount of Commonwealth funding in 1997/98 under the National Women's Health Program. The Health Department is currently proceeding with Women's Health Service agreements on the basis that the Commonwealth will be forthcoming with the same amount of funding provided in 1996/97. The Health Department is continuing to negotiate with the Commonwealth over the specifics of the funding agreement.
- (6) The State is not anticipating a Commonwealth cut to the national Women's Health Program.

GOVERNMENT CONTRACTS - PROVISION OF INFORMATION ON MONTHLY BASIS

2404. Mr BROWN to the Minister for Works:

- (1) Further to question on notice 2121 of 1997, did the Minister advise that basic contract award information is already made available on request and that information includes -
 - (a) the name of the successful tenderer;
 - (b) the accepted price;
 - (c) a brief description of the goods and services?
- (2) If so, can the Minister advise why information I have sought on government contracts of this nature has not been provided by either the Minister and/or his Ministerial colleagues?
- (3) Is it now possible for the Minister and/or the Government to provide this information on a monthly basis?
- (4) If not, why not?
- (5) If so, in the months of July and August 1997 -
 - (a) how many contracts were let;
 - (b) what was the name of the successful tenderer;
 - (c) what was the accepted price;
 - (d) what are the goods and services provided by the contract?

Mr BOARD replied:

- (1) Yes. The basic contract award information on specific contracts is retained by the respective agencies. If the member has specific contracts he has an interest in, the request for basic contract award information should be directed to the responsible Minister concerned.
- (3)-(5) No. As indicated in response to PQ 2121, until the electronic bulletin board is operational, aggregated information is not readily available.

YOUTH - YOUTH MINISTER'S ADVISORY COUNCIL

Limitation of Focus

2405. Mr BROWN to the Minister for Youth:

- (1) Further to question on notice 2120 of 1997, can the Minister advise the nature of the limited number of issues the Youth Minister's Advisory Council will focus on in the first instance?
- (2) Why has the Minister decided to limit the focus of the Youth Minister's Advisory Council?

Mr BOARD replied:

- (1) In the first instance, the Youth Minister's Advisory Council will focus primarily on:
 - Youth employment,
 - Youth suicide and self-harm,
 - Road safety,
 - Promoting a positive image of youth,
 although it will also consider other issues as they arise.
- (2) There is a number of consultative processes in place which are being developed. It is good practice not to expect a single committee to cover every conceivable issue.

YOUTH - COCKBURN, MELVILLE, FREMANTLE INTER-AGENCY YOUTH FORUM

Youth Allowance Concerns

2412. Mr BROWN to the Minister for Youth:

- (1) Has the Minister received or seen a copy of correspondence from the Cockburn, Melville, Fremantle Inter-Agency Youth Forum raising a range of concerns about the introduction of the new Youth Allowance?
- (2) Will the Minister ask the Youth Minister's Advisory Council to examine the correspondence and the implications of the new proposals?
- (3) If not, why not?

Mr BOARD replied:

- (1) Yes.
- (2) No.
- (3) This is a Commonwealth Government issue and it is anticipated it will be discussed at the next MCEETYA meeting. While I am a member of this Council the Minister for Education and the Minister for Employment and Training will take primary responsibility for the State's response.

PRISONS - ACT

Review

2504. Mr BROWN to the Parliamentary Secretary to the Minister for Justice:

- (1) Is the Government/Ministry of Justice conducting a review of the Prisons Act 1981?
- (2) Who is conducting the review?
- (3) Has a review of the Act been conducted in the last eighteen months?
- (4) Who conducted the review?
- (5) Has the review made any recommendations?
- (6) If so, what recommendations?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply:

- (1) Yes.
- (2) Ministry of Justice.
- (3) Other than the review referred to at (1), no.
- (4)-(6) Not applicable.

HEALTH - DEPARTMENT

Employees - Patient Assistance in Account Payment

2508. Mr BROWN to the Minister for Health:

- (1) Does the Government/Health Department have a policy which precludes or frowns upon staff members assisting patients to meet the costs of any accounts or part thereof with the Health Department?
- (2) If so, why is such an arrangement prohibited or frowned upon by the Government Health Department?
- (3) Does the Health Department discipline in any way any employee who may have assisted a patient to pay any account or part thereof to the Health Department?

Mr PRINCE replied:

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

HOSPITALS - PRINCESS MARGARET HOSPITAL FOR CHILDREN

Parking Charges

2534. Mr BROWN to the Minister for Health:

- (1) Is the Minister aware of the car parking charges parents have to meet when visiting their children who are patients at the Princess Margaret Hospital?
- (2) Will the Government examine the need for cheaper parking rates to be provided for parents who attend the hospital for extended periods of time due to the nature of the child's medical condition?
- (3) If so, when?

Mr PRINCE replied:

- (1) Yes.
- (2)-(3) Princess Margaret Hospital has a 'Frequent Flyer' system set up for long term parking. It is available for long term admissions (more than 7 days), is valid for one month at a cost of \$12.00. It is also available for children with chronic illness or disability - used for frequent outpatient appointments or therapy visits - to qualify a child must have had three sessions or an admission in the previous 30 day period. This voucher is available at a cost of \$12.00 for a quarterly voucher and \$48 for a yearly voucher.

STREET LIGHTING - PERTH CULTURAL CENTRE PRECINCT

Safety Concerns

2540. Ms WARNOCK to the Minister representing the Minister for the Arts:

- (1) Is the Minister aware of the continuing problem of poor lighting in the Perth Cultural Centre precinct and the safety concerns it is creating?
- (2) Will the Minister arrange for remedial action to be taken?

Mrs EDWARDES replied:

The Minister for the Arts has forwarded the following response:

- (1) Some areas of the Cultural Centre do have poor lighting and I refer particularly to the area between PICA and the Perth City Council Carpark Number 6. The Capital City Committee approved a project to upgrade this area as a joint project with the City of Perth. The Perth City Council will be considering funding in the near future. Other areas in the Cultural Centre are subject to daily maintenance. Broken lights are reported to the Ministry for Culture & the Arts each morning and maintenance is arranged immediately.
- (2) In the longer term the Cultural Centre Development Framework will address the problems in relation to security in the precinct as a whole. As noted in section 1 of the question, the problems at the rear of the PICA Building are being addressed in conjunction with the City of Perth.

MULTICULTURAL AND ETHNIC AFFAIRS - ETHNIC COMMUNITIES

Funding - Federal Government Cuts

2542. Ms WARNOCK to the Minister for Multicultural and Ethnic Affairs:

- (1) Has the Office of Multicultural Interests undertaken an assessment of the impact on State Government services, policy development and community harmony activities of the recent cuts in Federal Government funding to ethnic communities?
- (2) If not, why not?
- (3) Has the Office of Multicultural Interests assessed the impact of the cut-backs in funding to culturally and linguistically diverse background groups and organisations on -
 - (a) the further development of the Joint Integrated State Settlement Plan;
 - (b) implementation of the present level of the Joint Integrated State Settlement Plan;
 - (c) if not, why not;

- (d) if so, will the Minister make public this impact assessment report for public comment, especially by culturally and linguistically diverse background groups and organisations?
- (4) What steps has the Minister taken to obtain an explanation from the Federal Minister for Immigration and Multicultural Affairs for these cuts in community grants to culturally and linguistically diverse background groups and organisations, especially those which represent new arrivals?
- (5) In light of the recent cuts in ethno-specific grants has the Minister -
 - (a) alerted his Cabinet colleagues to the strong possibility of increased demands for funds required for interpreting;
 - (b) approached the Treasurer for the allocation of funds to meet the increased demand for interpreters within State Government departments resulting from these cuts in community funding by the Federal Minister for Immigration and Multicultural Affairs?

Mr BOARD replied:

- (1) Information provided by the Department of Immigration and Multicultural Affairs indicates that the overall level of funding for settlement and migrant services in Western Australia has not been reduced. In fact, funding was increased from \$1,474,995 in 1996/97 to \$1,716,380 in 1997/98.
- (2)-(3) Not applicable.
- (4) I wrote to the Federal Minister for Immigration and Multicultural Affairs expressing concern about the changes to the Commonwealth's funding policy, in particular, the loss of grants to the Ethnic Communities Council of WA Inc.
- (5) It is too early to predict whether there will be increased demands for funds for interpreting.

YOUTH - CULTURALLY DIVERSE BACKGROUNDS

Funding - Federal Government Cuts

2543. Ms WARNOCK to the Minister for Youth:

- (1) Has the Office of Youth Affairs assessed the impact of the recent federal cuts in ethnic grant-in-aid funding on its programs and activities with youth from culturally and linguistically diverse backgrounds?
- (2) What/which programs and activities will be affected by these cutbacks?
- (3) As a result of the cutbacks in ethno-specific and generalist funding to culturally and linguistically diverse background groups and organisations by the Federal Minister for Immigration and Multicultural Affairs, will the Minister allocate more funds within the budget of the Office of Youth Affairs to meet -
 - (a) the increased demand for interpreters;
 - (b) continuation of present programs within the Office of Youth Affairs which have been undertaken with ethnic groups receiving funds from the Department of Immigration?
 - (c) continuation of joint programs with other State departments (eg Police Service) which have been undertaken with the assistance of ethnic groups which are subjected to funding from the Department of Immigration?

Mr BOARD replied:

- (1) No. To avoid duplication the Office of Multicultural Interests is taking primary responsibility to review changes to Commonwealth funding in this area.
- (2)-(3) Not applicable.

HEALTH - CULTURALLY DIVERSE BACKGROUNDS

Federal Government Funding Cuts - Impact Assessment

2547. Ms WARNOCK to the Minister for Health:

- (1) Has the Minister's department undertaken an impact assessment on services to culturally and linguistically diverse background clients as a result of the recent cut-backs in federal funds by the Federal Minister for Immigration and Multicultural Affairs?

- (2) Will the Minister make this assessment available for public comment?
- (3) In light of these cuts will the Minister allocate extra funds to -
 - (a) meet the demand for increased interpreter services;
 - (b) make health programs available to women of culturally and linguistically diverse backgrounds;
 - (c) provide mental health services for individuals from culturally and linguistically diverse backgrounds?

Mr PRINCE replied:

- (1) No formal impact assessment has been undertaken. The Health Department of Western Australia's (HDWA) Multicultural Access Unit has remained in close contact with the Department for Immigration and Multicultural Affairs. Informal assessment has been undertaken. The situation will continue to be monitored.
- (2) Not applicable.
- (3)
 - (a) Discussions between HDWA's Multicultural Access Unit and the Department for Immigration and Multicultural Affairs have not indicated a forecast reduction in the availability of interpreter services.
 - (b) The changes occurring in the Immigration and Multicultural Affairs portfolio will not impact on the range of programs already made available through women's health services.
 - (c) The HDWA is developing mental health services in accordance with the State Mental Health Plan. Mental Health Services throughout WA are required to ensure services are accessible and appropriate for this client group. The changes in the Immigration and Multicultural Affairs portfolio are not anticipated to impact on developments occurring in Mental Health Services in WA.

MINISTRY OF JUSTICE - ANTI-CORRUPTION COMMISSION

Act - Obligations

2553. Mr BROWN to the Minister representing the Attorney General:

Will the Minister advise whether the Ministry of Justice has fully met its obligations under section 14 of the Anti Corruption Commission Act 1988?

Mr PRINCE replied:

The Attorney General has provided the following response.

The Ministry of Justice has fully met its obligations under Section 14 of the Anti-Corruption Commission Act 1988 for all matters of which it is aware.

FREEDOM OF INFORMATION ACT - SECTION 72(1) NOTICES ISSUED

2573. Mr KOBELKE to the Minister representing the Attorney General:

How many written notices have been issued by the Commissioner for Freedom of Information under section 72 (1) of the Freedom of Information Act 1992 in -

- (a) 1996-97 financial year;
- (b) 1995-96 financial year;
- (c) 1994-95 financial year;
- (d) 1993-94 financial year?

Mr PRINCE replied:

The Attorney General has provided the following reply:

Section 72(1)(a) enables the Commissioner to require the provision of information relevant to a complaint. The issue of formal notices in these circumstances is infrequent, as information is usually given on request and without the need for a formal notice, but occurs on some occasions. Section 72(1)(b) empowers the Commissioner to require the production of a document relevant to a complaint. Notices under this section are issued when the Commissioner considers it necessary to inspect documents other than the documents in dispute in order to properly review the

agency's claims. In most cases, at least one written notice under s.72(1)(b) calling for production of documents is issued.

The Information Commissioner does not maintain statistics on the number of occasions each of these provisions has been utilised. The record of actions taken in respect of each application made to the Commissioner is contained on the separate files dealing with each case. The Commissioner may be contacted directly by the member, or any other member, to inquire about the Commissioner's duties or to obtain and discuss any available statistics which are not provided in the Commissioner's annual report.

FREEDOM OF INFORMATION ACT - SECTION 97(3) NOTICES ISSUED

2574. Mr KOBELKE to the Minister representing the Attorney General:

How many written notices have been issued by the Commissioner for Freedom of Information under section 97 (3) of the Freedom of Information Act 1992 in -

- (a) 1996-97 financial year;
- (b) 1995-96 financial year;
- (c) 1994-95 financial year,
- (d) 1993-94 financial year?

Mr PRINCE replied:

The Attorney General has provided the following reply:

- (a)-(d) None. There is no section 97(3) of the *Freedom of Information Act 1992*. Section 97 has only two sub-sections and neither section 97(1) nor section 97(2) requires or empowers the Information Commissioner to issue written notices. The Commissioner may be contacted directly by the member, or any other member, to enquire about the Commissioner's duties or to obtain and discuss any available statistics which are not provided in the Commissioner's annual report.

QUESTIONS WITHOUT NOTICE

NURSING HOMES - FEDERAL GOVERNMENT'S POLICY

Changes - Community Support

729. Dr GALLOP to the Premier:

- (1) Will the Premier join with the Opposition in calling on the Federal Government to scrap its nursing home changes which are causing financial pain, stress and anxiety amongst elderly Western Australians?
- (2) How does the Premier justify his claim that the changes have broad support in the community?

Mr COURT replied:

- (1)-(2) I thought we had listed a matter of public interest with the exact same wording.

Dr Gallop: We have.

Mr COURT: I repeat the comments I made this morning; that is, there has been broad support to find a proper funding base.

Dr Gallop: Who did you talk to? What is your definition of broad?

Mr COURT: As the Leader of the Opposition will find out in the debate on the matter of public interest, for many years Labor members have also supported these types of proposals. As I also said this morning, the Federal Government should communicate its message on this subject a great deal better. However, I put this question back to the Leader of the Opposition: How does he believe these sorts of advances should be made in providing more care?

Dr Gallop: We would scrap those changes on coming to government federally, and the Premier knows it.

HOSPITALS - BUNBURY REGIONAL

*Use of Site for Aged Health Care Campus***730. Mr OSBORNE to the Minister for Health:**

The people of Bunbury are interested in the future of the site upon which the current Bunbury Regional Hospital stands. There is strong support for the creation of an aged care health campus after the completion of the new regional hospital. I ask the Minister to advise the House and the people of Bunbury whether he will support the aged health care campus concept.

Mr PRINCE replied:

I am aware of the significant interest amongst many of the people of the Bunbury area about the site on which the current regional hospital is located. When the new hospital is completed, late next year, and commissioned and opened, the existing site will no longer be used. I am told the building cannot be used for anything else, given its general state and age.

There is, however, on the area a relatively near new Silver Chain Nursing Association construction which certainly will be excised from the land so there will be no suggestion of any adverse effect on it. With regard to what should happen to the rest of the Blair Street site, a reference group is being formed that will consider, among other things, the Forrest Lodge Nursing Home and generally the use of the land area for aged care and where best to place any new aged care facilities in the Bunbury area, having regard to the growth, growth patterns and ageing of the population.

I commend Silver Chain because I am aware that this Friday it will conduct a workshop on a range of suggestions and ideas from many people and organisations in the community. Unfortunately, due to a prior commitment, I cannot be there but I trust the member for Bunbury will be there. I will be interested to know the result. The member may take back to his constituents my view that the site is certainly capable of being used for a future aged care campus but we still need to debate whether it is the most appropriate site.

PORTS AND HARBOURS - GERALDTON

*Improvement of Access - Cabinet Decision***731. Dr GALLOP to the Premier and Treasurer:**

I refer to conflicting statements about the proposed \$70m upgrade of the Geraldton port, and ask the Premier -

- (1) Was the commitment by the Minister for Transport to upgrade the Port of Geraldton given with the authority of Cabinet?
- (2) If not, will the Premier insist that this matter be taken to Cabinet for further consideration?

Mr COURT replied:

- (1)-(2) The member spoke about an upgrade of the Port of Geraldton. I think he means the transport access to the port.

Dr Gallop: That is exactly what we are talking about.

Mr COURT: That is exactly what the Leader of the Opposition is talking about. My friend, I cannot believe members opposite.

Dr Gallop: Do not try this trick. Answer the question.

Mr COURT: If you want me to answer the question: I am not aware of any upgrade to the port.

Dr Gallop: Do not be smart. Why were we briefed on that matter by the Geraldton Port Authority and it called it an upgrade? It is a smart alec answer from the Premier, who should get to grips with his job. He does not have a clue about what is going on.

Several members interjected.

The SPEAKER: Order!

Mr COURT: I will assume I know what the Leader of the Opposition was trying to say. Members opposite are having trouble coming to grips with the fact that the Government wants to establish the mid-west as one of the major processing areas in the State.

Dr Gallop: Answer the question.

Mr COURT: The member for Eyre today asked how the Government would fund the infrastructure of a new port. He asked where the \$300m will come from. Why did he not ask where the money will come from for the Pilbara to goldfields gas pipeline? He is trying to create the impression that Governments must provide all the money.

In relation to the transport access options for the Geraldton port, we cannot put the cart before the horse. The Government is spending money doing all the studies in relation to Oakajee, and what happens in Geraldton will obviously be affected by the final decisions made for those new facilities.

Dr Gallop: He will not answer the question.

Mr COURT: The Leader of the Opposition should ask the question.

PORTS AND HARBOURS - GERALDTON

Improvement of Access - Cabinet Decision

732. Dr GALLOP to the Premier and Treasurer:

Did the commitment by the Minister for Transport to spend \$70m on a transport corridor to the Geraldton port go to Cabinet?

Mr COURT replied:

In relation to specifically whether the proposal for expenditure of \$70m went to Cabinet, it may well have been part of a budget presentation but I must check that detail.

SHIPPING - *NERIDA*

Rescue - Use of Emergency Position Indicating Radio Beacon

733. Mrs HODSON-THOMAS to the Minister representing the Minister for Transport:

The State Government recently announced new regulations for the carriage of emergency position indicating radio beacons on recreational vessels operating off the Western Australian coast. Can the Minister advise whether the fishermen rescued off Esperance carried an EPIRB and if so, did this help in the search for these fishermen?

Mr OMODEI replied:

The Minister for Transport has provided the following information.

At approximately 3.00 am on Monday, 20 October the 45 foot timber commercial fishing vessel *Nerida* grounded on Wickham Island, six nautical miles east of Cape Arid and 80 nautical miles east of Esperance. Flares were fired by the two persons on board, in the hope that they might be seen by other fishermen based at Cape Arid, but without result. The vessel's marine radio was unserviceable due to the grounding. The crew were able to get ashore to the island with the vessel's EPIRB, which was activated at about 3.30 am. The EPIRB signal was detected by satellite at 4.18 am, and the Australian sea and rescue centre in Canberra chartered an aircraft to localise the signal. An aircraft from the Esperance area located the survivors, safe on Wickham Island, at 6.40 am. Another fishing vessel operating in the area was contacted and the two crew members were rescued from the island, safe and well.

On 10 October, the member for Carine, Mrs Katie Hodson-Thomas, chairperson of the special safety group reviewing the regulations regarding the compulsory carriage of EPIRBs by vessels in Western Australian waters, announced changes to the regulations. These will require vessels operating more than two nautical miles from the Western Australian mainland foreshore or 400 metres from an island to carry an EPIRB. In order to allow time for boat owners to purchase an EPIRB, the regulations will not come into force until October 1998. EPIRBs cost approximately \$220.

The Esperance rescue is an excellent example of the effectiveness of EPIRBs in locating vessels in distress. Within just over three hours of the EPIRB's activation a search aircraft was overhead and a rescue vessel was on its way to recover the survivors. It is also relevant that the survivors tried to use all other available methods of alerting their distress situation, without effect. The flares were not seen and the radio was unserviceable. In such circumstances an EPIRB is the only reliable means of alerting the authorities of distress at sea and indicating the position. I am sorry about the length of the answer, but it is an important matter. As such, the device is capable of saving lives, and the wisdom of the Government's recent announcement on EPIRBs has been amply demonstrated.

PORTS AND HARBOURS - OAKAJEE

Finalisation of Plan

734. Mr GRILL to the Minister for Resources Development:

- (1) Does the Minister expect the developers of the Kingstream Resources NL project to raise finance before the State Government finalises details of the Oakajee port?
- (2) How does he believe fundraising is possible in the absence of a settled and agreed port plan?

Mr BARNETT replied:

- (1)-(2) My first observation is that this is a large project, of which there are two parts. One is the private sector part, which is not my responsibility and I am not taking responsibility for the raising of finance by a private company. That is its job.

Dr Gallop: That was not the question.

Mr BARNETT: Yes it was. The Leader of the Opposition is not doing well today. The implication of the question was that I should rush decisions for public expenditure related to a port to assist a private company to raise finance.

Dr Gallop: Just make the decision.

Mr BARNETT: The Leader of the Opposition is the Collie king who for four years could not make a decision about a power plant at Collie. It is absolutely unbelievable. There is an important point of principle involved. The Government has indicated it will help facilitate this project. It will develop infrastructure, hopefully mainly private, to service this project on a commercial basis. The developers will pay full tote to use the infrastructure. It would be irresponsible of me or this Government to commit money in advance of knowing all the detail, or to say that it will build a port regardless. That would be totally irresponsible. It is up to Kingstream Resources and An Feng to raise money for their project. It is not my responsibility to go into the capital markets and raise money for them.

Dr Gallop: You made the decision to go to Oakajee.

Mr BARNETT: It is clearly stated in the agreement Act that once An Feng starts construction on the steel mill, the Government will have a port in place within five years.

Dr Gallop: How?

Mr BARNETT: The Government is discussing with An Feng-Kingstream how we can arrange the completion of the port to coincide with the completion of a steel mill to avoid double handling through the Port of Geraldton.

Mr Grill: Where is the port going?

Mr BARNETT: Oakajee. I will tell members what is necessary to build a deep sea port.

Dr Gallop: Where is it going?

Mr BARNETT: Members opposite are struggling now. I do not want to delay question time. This gives one a feel for how this crowd lost \$1.5b. I will tell members what is necessary to build a port, even before we make a decision to commit. We conduct a financial study, an economic study, a rail and services corridor study, a windsurfing study, a port public environmental review, a strategic environmental review, a quarry environmental study, a flora study for the spring flowers, a commercial fishing study, a port design, a wave monitoring study, an unexploded ordnance study, a financial investigation of the creditworthiness of the proponent, an estate structure study, a detailed plan, and a study of the legal implications of the agreement Act. We also get LandCorp to do the surveying, we allocate, as we did formally through the Budget, a sum of money for the Minister for Lands to start acquiring land, we do engineering and legal studies, and we do all the valuations.

We are doing all of that work, and so far the cost of that work has been about \$2.5m. We will complete all of that work, and we will have further discussions with An Feng, and if it proves satisfactory technically, environmentally, socially, financially and economically, then - surprise, surprise - I will take a detailed proposal to Cabinet, and Cabinet will decide whether to commit those funds; and if Cabinet says, "No; it is too expensive", that will be the end of it.

Dr Gallop: You are amazing!

Mr BARNETT: The Leader of the Opposition should read the agreement Act. So many protections are built into this -

Ms MacTiernan: So many loopholes!

Mr BARNETT: Loopholes! In the 1980s, the former Labor Government threw away \$1.5b because it did not do this sort of work. Members opposite are disgraceful. We are doing it properly, and members opposite hate it. If An Feng-Kingstream can raise the finance and get its project together, and if all of these studies prove satisfactory, the port will be developed and will be a great success for this State.

COMPUTERS - MILLENNIUM BUG

Government's Plans

735. Mr MASTERS to the Premier:

At midnight on 31 December 1999, many computers in Western Australia will change their internal date not to 1 January 2000 but rather to 1 January 1980, or worse. As this important issue has been receiving a great deal of media attention lately, will the Premier inform the House what action the Government intends to take to address the potential problems arising from the so-called millennium bug?

Mr COURT replied:

I thank the member for some notice of this question. The problem is the inability of some computers and software programs to distinguish the year 2000 due to the use of two digits to indicate the year. This issue is causing concern within governments and the private sector. It is widely known as the millennium bug. One can see the extent of this issue when it comes to licences, superannuation, payroll systems, social security, time controls, product use by dates and many other calculations that are now part of computer systems.

We have carried out some programs through which we have briefed chief executive officers about the problem; the first briefing was held in June. We have made sure that effective management of this issue is incorporated in all CEO performance agreements from May 1997 this year. We have made arrangements for easier access to expert services to diagnose and rectify these problems. We have established an Internet page to provide information about this matter. Contract and Management Services has produced a list of companies that are providing services and training on this issue. I have sent a circular to Ministers, which I will table, which outlines the different strategies that we are putting in place to make sure that we can properly manage this issue.

[See paper No 795.]

PORTS AND HARBOURS - OAKAJEE

Funding - Government's Plan

736. Mr GRILL to the Minister for Resources Development:

The first question is the question that the Premier could not answer last week.

- (1) How does the Minister propose to fund the port at Oakajee?
- (2) Will the plan to upgrade access to the Port of Geraldton jeopardise the Minister's plans for Oakajee?
- (3) What priority does the Government give to the \$100m-plus infrastructure development at Jervoise Bay-Henderson in view of the commitment to Geraldton and Oakajee?

Mr BARNETT replied:

- (1)-(3) I support Jervoise Bay, but that is the responsibility of the Deputy Premier, and that question should be addressed to him.

Mr Grill: You should know what the priorities are.

Mr BARNETT: I will not comment on another Minister's portfolio.

Mr Grill: You have no idea.

The SPEAKER: Order!

Mr BARNETT: The Geraldton transport corridor study is again a planning and port issue. It is not an area of my responsibility.

Dr Gallop: Will it jeopardise Oakajee?

Mr BARNETT: In my opinion it will not impact on Oakajee because the type of industry that will develop at Oakajee is not the type of industry that will go through the style of port that Geraldton is or can be.

Mr Grill: You cannot even fund Henderson, let alone a port development at Geraldton or a new port at Oakajee. Where will the money come from?

Mr BARNETT: The member for Eyre still has not grasped the fact that in this Parliament, he should ask the question and wait for the answer.

Mr Ripper: We ask; you fudge.

Mr BARNETT: Fudge I may, but at least I will answer at the end of the day.

With regard to the funding, I said in my previous answer to the question that it is complicated, and a variety of funding options are available. If there was any delay in decision making about the port, it would be due to the following: The price at which the tonnage of Kingstream's production will be handled is critical to the funding of the port. We are currently negotiating through the Department of Resources Development and with An Feng-Kingstream the rate per tonne. Once that is agreed and effectively put on a contractual basis, the Government will have the basis for seeking private sector proposals to construct the port.

For example - these figures have no substance to them - the tonnage rate agreed may be sufficient to find the private sector willing to fund two-thirds of the capital cost of a port. The issue then will be how the other one-third of the capital cost of the port will be funded. In that respect, a number of options are available: The State may make a capital allocation; the State may give an ongoing subsidy for perhaps a maximum of 10 years; the State may take some equity position in the port and down-sell it later; the Commonwealth may contribute, or some money may be borrowed.

Mr Grill interjected.

The SPEAKER: Order! I formally call the member for Eyre to order for the first time.

Mr BARNETT: We have not reached that stage. I hope we will reach that stage by the end of this year, but it may take a little longer. Some questions were asked last week about the budget and the process. Even under the best scenario, construction of the port will not commence this financial year.

Mr Grill: You have \$600m worth of infrastructure projects tied up in these three developments alone. Where will the money come from?

Mr BARNETT: It will not commence this year. We have not made decisions about the funding of it. Many things of an extraordinary nature do not show up in budgets. For example, I think the comment was made last week during question time that this is not -

Dr Gallop: So you did read question time last week! Earlier today you said you did not.

Mr BARNETT: I said I was not here.

The allocation of funds for the capital works for Oakajee is not in the Budget. There is also no allocation in the Budget for the proceeds of sale of the Dampier to Bunbury natural gas pipeline. Those types of items typically do not go into Budgets.

PROCLAMATION DAY - THEME OF CELEBRATIONS

737. Mr BARRON-SULLIVAN to the Minister for Multicultural and Ethnic Affairs:

Today, Proclamation Day, is a significant day in our State's history. I refer to the fact that once again an extensive program of events has been organised for this year's Celebrate WA Week, including one involving the South West Chamber of Commerce and Industry. Can the Minister outline the significance of this year's theme and explain the role the Government can play in promoting such a theme?

Mr BOARD replied:

I thank the member for some notice of this question.

This morning I had the opportunity on behalf of the Premier and the State Government to officiate at the Proclamation Day ceremonies in Fremantle where Sir Francis Burt outlined the role that responsible government had played in Western Australia. Both my portfolios of Multicultural and Ethnic Affairs and Youth are able to concentrate on those celebrations this year.

The Celebrate WA Committee, which has been pulled together over the past few years, has concentrated on a theme called "WA One". This year's theme for Proclamation Week, when we celebrate gaining responsible government in Western Australia, is in fact "WA One". We are celebrating our community coming together and living in harmony.

A couple of weeks ago I launched the Living in Harmony program for Western Australia. The committee, this program and the launch of our Proclamation Day ceremonies will build on that theme.

The South West Chamber of Commerce and Industry is hosting a south west wine, business and tourism exhibition at Allendale Square. Hundreds, if not thousands, of celebrations are taking place throughout Western Australia this week focusing on the fact that we are one community.

I am very proud of the fact that the ethnic communities of some 200 different nationalities are playing a strong role in these celebrations and that young people throughout Western Australia, particularly during Education Week, are playing a very strong role in celebrating that we have achieved a wonderful, responsible government since Proclamation Day in 1890.

FAIR TRADING - MINISTRY

Real Estate Business Unit - Report

738. Ms MacTIERNAN to the Minister for Fair Trading:

- (1) Is the Minister yet able to shed light on the fate of the Les Smith inquiry into the Ministry of Fair Trading's real estate business unit?
- (2) When was the report first presented to the Minister's office or to the ministry by Les Smith?
- (3) When did the Minister first view the report?
- (4) Has the report been modified since it was first submitted by Mr Smith; if so why, and by whom?
- (5) What is the current status of the report?

Mr SHAVE replied:

(1)-(5) As I told the member last week, the position has not changed.

Ms MacTiernan: You said you would find out.

Mr SHAVE: I did.

Mr Ripper: Are you still covering up?

Mr SHAVE: I am not covering up. My understanding was that one of my staff would contact the member for Armadale last week and give her the name of the solicitor who undertook -

Ms MacTiernan: That is a different issue; it concerns Myra Parker. My question concerns the Les Smith inquiry. You have got yourself a little confused.

Mr SHAVE: I thought it was the same issue.

Mr Ripper: It is the same response.

Mr SHAVE: The member for Belmont has got that right.

Ms MacTiernan: You have no idea whatsoever what is going on in your portfolio.

Mr SHAVE: I have a good idea of what is going on in my portfolio. When I receive the information the member for Armadale will be the first to know.

Ms MacTiernan: Has the Minister sighted the Les Smith inquiry?

Mr SHAVE: No.

INDUSTRIAL RELATIONS - MINIMUM WAGE

\$10 per Week Increase - Minister's Support

739. Mr SWEETMAN to the Minister for Labour Relations:

Does the Minister support the \$10 a week increase resulting from the state wage case?

Mr KIERATH replied:

The Government supported the \$10 increase in the minimum wage. In fact, a major part of our state wage case was that \$10 was in the ballpark figure that employers could afford. It was in line with community expectations. The department went to great lengths to make sure the \$10 was granted as a true safety-net amount - in other words, it had to be absorbed in over-award payments and agreements.

The Government believes the wage increase is economically sustainable and what most employers can afford. Unfortunately in today's *The West Australian* there was an overemphasis of a misunderstanding of the nature of the submission by the Government to the WA Industrial Relations Commission. The vast majority of our submission was accepted, but there was a difference of opinion on whether the state commission should be able to set a minimum award wage. No appeal will be made because we received broad agreement.

The commission has gone beyond its powers and functions to establish a minimum wage. This Parliament clearly set a legislative mechanism for doing that through the Minimum Conditions of Employment Act, the proper place for the state minimum wage to be set. It is a function of this Parliament. In going further than that the State Industrial Relations Commission ignores the legislative intentions of this Parliament and the Government of Western Australia; it goes beyond the commission's brief.

Nevertheless, the Government is delighted that the commission accepted the broad majority of its submission and granted people in the community on the lowest levels of pay a \$10 a week pay increase.

REAL ESTATE - MS FRANCES MARY CHAN

*Claims - Resolution***740. Ms MacTIERNAN to the Minister for Fair Trading:**

Notice of this question was given at 11.00 am, so the Minister has had time to do a little bit of homework on it.

- (1) Can the Minister confirm that none of the elderly persons who lost their homes and life savings as a result of dealing with Frances Mary Chan has yet received compensation from the fidelity guarantee fund?
- (2) Is the Minister concerned that these claims are still outstanding more than two years after they were made?
- (3) How much is in the fidelity guarantee fund and how much has been paid out over the past financial year?

Mr SHAVE replied:

I thank the member for some notice of this question.

- (1) The board is considering these claims. At present no decision has been made.
 - (2) I have been assured by officers assisting the board that these matters are being dealt with as quickly as possible, mindful of the need to not prejudice any other proceedings.
 - (3) \$21.475m at 31 July. Unaudited expenditure from the fund 1996-97 is reported at \$42 000. However, at 30 June 1997 the board had received claims totalling in excess of \$600 000.
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