



WESTERN AUSTRALIA

# **Parliamentary Debates**

**(HANSARD)**

THIRTY-FIFTH PARLIAMENT  
SECOND SESSION  
1999

LEGISLATIVE ASSEMBLY

Wednesday, 2 June 1999

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**THE SPEAKER** (Mr Strickland) took the Chair at 12 noon, and read prayers.

## **NEW VEHICLE FLEET POLICY**

*Statement by Minister for Services*

**MR BOARD** (Murdoch - Minister for Services) [12.02 pm]: I inform the House of several strategic changes to the State Government's fleet policy that will result in more effective management of our fleet of vehicles and achieve significant cost savings. The changes, which have been adopted following a comprehensive review of the Government's previous vehicle schemes, provide for maximum use of the Government's fleet of vehicles, a reduction in costs such as fringe benefits tax and, after detailed analysis, a possible reduction in the Government's overall fleet size. They are also projected to save government in excess of \$15m over the next five years. This is based on \$2.95m in the second year, plus \$4.15m from 2001 to 2003.

As well as representing good government and sound financial management, these changes strategically position the State Government to gain even greater financial benefits once the Commonwealth's goods and services tax is introduced next year. Furthermore, they are being implemented less than nine months after this Government successfully negotiated a new vehicle fleet management contract, which I have the pleasure of saying is now providing agencies with an improved level of service at a reduced cost to government.

In brief, the new government vehicle scheme will give agency chief executive officers the discretion to allow level 8 public service administration officers and above access to an operational government vehicle for their private after-hours use. In exchange for private after-hours use, officers will contribute towards the upkeep of the vehicle by paying \$40 a week; for example, for a 6-cylinder car. That fee will increase by \$5 after 12 months, and will be subject to ongoing review.

Under the new scheme, all existing participants of the executive vehicle scheme, including senior executive service officers, will automatically transfer to the GVS, while provisions in some agency workplace agreements which provide ordinary-plated vehicles outside of the new policy guidelines will be phased out with negotiation.

I emphasise to the House that agency CEOs will be required to determine their agency fleet size on operational needs only and will not increase the size of their fleet to enable level 8 officers to access a vehicle. In fact, all agencies will be expected to contribute towards achieving a target of a 5 per cent reduction in the total size of the government fleet during the 1999-2000 financial year. In an effort to reach this target, CEOs will be required to analyse their operational use of vehicles, maximise pooling arrangements and rationalise their fleet size under strategic fleet management plans, while a newly established fleet steering committee will monitor the GVS to ensure it is being implemented effectively.

All of these changes reflect a genuine commitment by the Government to responsibly manage its vehicle fleet and ensure that its vehicles are used to maximum potential. It is also another example of this State Government's well-earned reputation for providing sound financial management of the State's assets.

## **BILLS - INTRODUCTION AND FIRST READING**

1. Revenue Laws Amendment (Taxation) Bill 1999.
2. Revenue Laws Amendment (Assessment) Bill 1999.
3. Acts Amendment and Repeal (Financial Sector Reform) Bill 1999.

Bills introduced, on motion by Mr Court (Treasurer), and read a first time.

4. Rail Freight System Bill 1999.

Bill introduced, on motion by Mr Cowan (Minister for Commerce and Trade), and read a first time.

## **WEAPONS BILL**

*Second Reading*

Resumed from 22 April.

**MRS ROBERTS** (Midland) [12.11 pm]: The Opposition supports the policy principles behind this Bill. Indeed, legislation similar to the Weapons Bill and designed to strengthen our laws relating to the maintenance of law and order in Western Australia was introduced in the other House last year and the Opposition expressed bipartisan support. I understand from the second reading speech and comments made elsewhere that this legislation is very much modelled on Victorian legislation which has been in place for some time and which, by and large, has been successful.

I note in the second reading speech reference to the fact that the lack of specific powers in respect of these weapons has made it difficult for police to contain offences including armed robberies and assaults involving nunchakus, knives, machetes, baseball bats, pickets and so on. It states -

By way of example, the incidence of knives in armed robberies and assaults increased from 341 per annum at July 1994 to over 900 per annum at July 1998.

While on the face of it that statistic is alarming and may lead one to the conclusion that there has been a massive increase in the number of knives used in armed robberies, it does not indicate in what percentage of armed robberies knives were used in 1994 compared to 1998. That would have been a far more relevant statistic because we know that the incidence of armed robberies in Western Australia has increased dramatically. Indeed, between 1993 and 1997, the incidence of armed robbery in Western Australia has more than doubled. In 1993, there were 28.3 armed robberies per 100 000 population; in 1994, that rate increased to 34.3; in 1995, to 38.7; in 1996, to 54.8; and, in 1997, to 58.9. The incidence in 1997 is more than double that recorded in 1993, and it is likely that the figure for 1998 will again be about 58.9 per 100 000 population or higher. With a doubling in the incidence of armed robberies, one would expect at least a doubling in the incidence of knives being used in such offences.

I do not have the raw statistics at my fingertips, but a doubling of that rate and an increase in the population suggests that the number of armed robberies will have more than doubled. While one could conclude that knives are being used in more and more armed robberies, I suspect that they are not. One could look at that figure, noting that it has increased from 341 in 1994 to over 900 in 1998, and conclude that tighter gun laws and whatever have seen a switch in the use of weapons in armed robberies -

Mr Prince: The Pawnbrokers and Second-hand Dealers Act has had a significant effect. Those who would have previously stolen goods are now attempting to steal money.

Mrs ROBERTS: The minister makes a fair point and I will address it later. However, the second reading speech could lead one to conclude that as a weapon of choice knives are now being used in far greater numbers than guns. That is not a conclusion that can necessarily be drawn from these figures because of the 100 per cent increase in the incidence of armed robberies.

The point the minister makes is a separate issue. That may explain the increase in the incidence of armed robberies: Those law breakers are choosing to commit an armed robbery offence rather than a home burglary offence because they want cash or goods that are more easily exchanged for cash. As the minister said, one of the impacts of the Pawnbrokers and Second-hand Dealers Act is that it has become far more difficult to pawn goods such as televisions, videos, stereos, CD players and other electronic equipment. The difficulty is that this may have increased the trend towards armed robberies.

I am addressing these statistics as an indicator of the use of knives in armed robberies. It may be misleading to include in the second reading speech only the raw figures indicating the number of knives used in armed robberies from 1994 to 1998. It would be more helpful to know the percentage of robberies involving knives in each of those years. One could then come to a more appropriate conclusion.

One of the issues that has been more contentious than others is the use of pepper sprays. There is very little argument about prohibiting the use of some awful weapons, and some are already prohibited under the current Police Act. When visiting the police academy at Maylands I saw an awful collection of weapons at the rifle range that have been collected from homes and other premises in the metropolitan area. It is frightening to see the modifications that have been made and the conversion of many household tools into dreadful weapons. I know that someone recently found a very large screwdriver, the end of which had been sharpened to a point, and it quite obviously could be used as a very dangerous weapon. It is important to have tough penalties to deal with people using these objects and that as many as possible are withdrawn from the community. That is why the Government has strong support from the Opposition for this Weapons Bill.

One of the contentious areas relates to pepper sprays. Again, the Opposition supports police use of pepper sprays. If anything, I am critical that the police have not implemented the use of these sprays within the service much more quickly, and that not enough training has been given and they have not been made readily available for police use. They are an excellent alternative. They should be an important part of the equipment a police officer has at his or her disposal to deal with particular situations. Not every situation or confrontation can be resolved with the use of a pepper spray, but it has the potential to save lives. Not all the people who get themselves into confrontational situations with the police, members of their family or others in the community are criminals. Many people suffer mental disabilities and go through periods of emotional instability when, for one reason or another, they become involved in confrontational situations. There have been instances in which it is thought people wanted a police-assisted suicide; that is, they wanted the police to shoot them and end their lives. It is difficult from both sides. Firstly, shooting is not an appropriate way of dealing with someone suffering from a mental condition. It also puts the police officer in an awful situation because I am sure none of them wants to maim or kill a member of the public, under any circumstances. In many instances, a pepper spray could be a valuable tool at the disposal of police officers. The sooner pepper sprays are available to every police officer, and they are properly trained in their use, the better.

I have strongly supported members of the public being able to use pepper sprays, particularly elderly people or women who may be more vulnerable. Pepper sprays should be available, as should a number of other mechanisms, for defence. One of the complaints I often hear is that the innocent third parties and the victims are most penalised by the laws. Those people who are most vulnerable in the community need some way of protecting themselves. A particularly burly or strong bloke, or someone well versed in karate or one of the other martial arts may feel able to look after himself and his family. However, many frail and vulnerable people in the community do not have the same physical presence or the same degree of martial art or other skills. They will feel comforted by having a pepper spray, alarm or some other device at their disposal.

I fully understand that pepper sprays can fall into the wrong hands, and many people would use that to justify completely banning them from community use. In my view that is no justification. Those who feel vulnerable and want to make use of them, should have that opportunity. I understand that, as with other objects people may use to defend themselves, these weapons can be turned against them. One of the risks run by people who use a pepper spray for self-defence is that the

pepper spray could be used against them. Individuals must take that into consideration but the choice should be theirs, and that decision should not be made by others on behalf of people who feel vulnerable to attacks in the home and elsewhere.

Hon Nick Griffiths spoke on this legislation last year in the other place, and made a number of good points. He entered into discussion about a penalty unit regime which operates in Victoria. It appeared from the comments by the Attorney General that he did not support that. I think it is worthy of consideration by the Government.

Another matter raised by Hon Nick Griffiths, and confirmed by the Attorney General in the other place, was that the regulations are subject to disallowance. That is some cause for concern because the view has been expressed by the Commissioner of Police that he does not feel capsicum or pepper sprays should be available for public use and that they should be on a prohibited list. However, I understand that the Government has agreed to a different position and that, provided people have a lawful excuse for carrying a pepper spray, there will be no difficulty. I am aware that it has been a matter of some debate between the Police Service and the Government, and there has been some debate within government about whether pepper sprays should be permitted. It seems that the more sensible people among the government members have held sway, and taken cognisance of the position of women and the frail people in our community who want to use pepper sprays as a defence. The Opposition signals, as it did in the other place, that it has concerns that the regulations relating to pepper sprays could be disallowed. The Attorney General in the other place pointed out that it could be dealt with by the Legislative Council, but the point made by Hon Nick Griffiths was that the regulation could be disallowed and it might be some time before the House sat again and dealt with the matter. That would result in bad laws or regulations being in place for some period.

The Weapons Bill contains other examples of the Government's tardiness in proceeding with its legislative program on law and order. In many parts of the Bill there are consistent reminders that the Police Act has not been updated in this State, and I draw attention to page 9 and the heading "Search and seizure without a warrant". Members will note that clause 13(1) and (2) states that a member of the Police Force may without warrant stop, detain or search anyone. On page 11, under clause 15, "Retaining something seized but not forfeited", a member of the Police Force may retain anything that has been seized. There are numerous references in this Bill to "Police Force" as opposed to "Police Service". Many people in the Police Service, from the commissioner down, are all too ready to pick up members of the Opposition, members of the Government and members of the community for using the term "Police Force" rather than "Police Service", and there has been some debate about that. I point out to the House that it was never a change that was made legislatively. Under the current Police Act, we have a Police Force in Western Australia, not a Police Service. That is why, in legislation such as this, we continue to see it referred to as the "Police Force". Again it is an indication that the review of the Police Act has taken far too long. The Government committed itself to a review of the Police Act prior to the 1993 election. It again committed itself to a review prior to the 1996 election; yet in 1999, some six years later, we still have not seen even a draft of the new police Act. I hope that we will see at least a draft of the new police Act before the end of the year. Unfortunately, I will not hold my breath. Although it has long been promised, so far it has not seen the light of day.

During the Estimates Committee discussions, I raised a matter about the security agents who are employed currently by councils and security agents who are employed in other capacities. Some security agents working on behalf of councils are equipping themselves with batons, handcuffs and pepper sprays. One thing that occurred to me was whether a restraint such as handcuffs was deemed to be a weapon under this legislation in that it is something that disables a person from fully functioning. Perhaps the minister could clarify that. I highlight the fact that I am not comfortable that security agents who have little training and who are equipped with batons, handcuffs and pepper sprays are now patrolling our suburbs. It is one thing for the Government and the hierarchy of the Police Service to say that the security agents are helpful and they can be the eyes and ears of the police, can alert the police to trouble spots and can patrol some hot spots for police; it is quite another thing if those people feel they could be in a position to confront offenders with batons, handcuffs or pepper sprays. They are not trained appropriately to do that job. We had some concurrence from the Police Service during the Estimates Committee that the legal position with regard to citizens' arrests may not be as clear as the people running those security outfits may think. I have also raised some concerns about the legal responsibility in terms of the liability of local government authorities that employ security agents who could potentially inflict some physical harm on the people they attempt to apprehend.

Another current concern in the area of policing - in a sense, it would be a weapon - is the use of stingers by police. These devices are thrown out across the road to stop speeding cars or stolen vehicles which are speeding. Apart from a concern with the lack of training given to police officers in this State in the use of stingers, there are also vicarious liability matters in that they are a dangerous thing to use. A car may go out of control and the occupants may be killed or severely maimed, so there is a matter of liability in that case. The police officers may be putting their lives in jeopardy by the use of stingers, particularly if they are not trained appropriately. Even if a police officer is appropriately trained, he may be standing on the side of the road ready to deploy a stinger, and he could be hit by the car. Recently there have been some examples overseas in which officers, in attempting to deploy stingers, have been maimed or injured.

Mr Prince: They have been deployed twice in the past week and they stopped the cars involved.

Mrs ROBERTS: If the minister looks at some of the experiences overseas in the past week, he will note that a police officer lost a limb, I think - I cannot remember exactly what befell him - in deploying a stinger.

Mr Prince: Where?

Mrs ROBERTS: I can look it up for the minister. I read it in the international media. Last week there were a couple of awful instances in which police officers came to grief in using stingers. I will look that up, so I can draw it to the minister's attention properly.

Mr Prince: I understand what you are saying, but stingers have been deployed twice in the case of stolen vehicles and high speed chases, and they have been successful each time.

Mrs ROBERTS: Where they work, they are good; but even if there is a one in 100 chance of a police officer being maimed or injured in the deployment of stingers, it is a matter of great concern.

Mr Prince: It is a matter of concern, but there is also the matter of the speeding car going the wrong way down Roe Highway, which must be stopped.

Mrs ROBERTS: I put a higher priority on the health and wellbeing of police officers and on human beings driving cars than I do on stolen cars or speeding cars. It is just a matter of where that priority is placed, especially in a State which has not provided our police officers with protection from vicarious liability, so that if they are injured, they can be compensated appropriately.

Once again I confirm that the Opposition supports the removal from the community of these dangerous weapons and other articles which can be used as weapons. We support a situation in which people must justify appropriately why they possess certain objects which can be used as weapons. We support the legislation passing through this House as quickly as possible. It has been around since 1998. I do not know why the Minister for Police chose to introduce it into the Legislative Council last year when potentially he could have moved it through this House.

Mr Prince: At the time the Legislative Council was a bit short on work, and we had a lot in this place. It was thought that it might be progressed quickly, but it sat there for nine months. That will be the last time I do that.

Mrs ROBERTS: I do not know why he let it sit there for nine months, but the Labor Party endorses it. We are keen to see it passed as quickly as possible.

**MR MARSHALL** (Dawesville - Parliamentary Secretary) [12.39 pm]: My comments will be short. I endorse the Weapons Bill, particularly as I warned my colleagues at a briefing four years ago that knives and screwdrivers would become more prevalent in crime in the future. In hindsight, one does not need to be a Rhodes scholar to make such a prediction. In 1994, 411 dangerous weapons were reported; in 1995, 607 were reported; in 1996, 773 were reported; and in 1998, 866 were reported. The Weapons Bill makes provision to control the use and availability of replica firearms and non-firearm weapons in our community, and it allows police to keep pace with the types of crime that exist in 1999.

Every day there are examples of armed robbery or assault with knives, screwdrivers, baseball bats and knuckle dusters. The Bill divides non-firearm weapons into three distinct categories, and I thank the police for showing parliamentarians in a brief what type of vicious weapons are in the community. This Bill gives the police the power to search a person on reasonable suspicion without a warrant and to seize anything they can find. I am sure that this will be warmly accepted, not only by the police, but by the community in general.

In closing, I am disappointed that pepper sprays were not included in the list of prohibited weapons. The general agreement was that members of the community, particularly females, felt safer when carrying a pepper spray. Although this may be true, it will be the villain who attacks first with a spray who gains the initiative. In 1995 I predicted that screwdrivers would, in the wrong hands, become a danger to the community. Again in 1999 I predict that pepper sprays will be part of a wave of crime in the future. The Weapons Bill is extremely timely and I commend it to the House.

**MR PRINCE** (Albany - Minister for Police) [12.41 pm]: I am obliged to members in this House for their support. I make the point that I made in interjection: This Bill was introduced into the other place because it was short of work at the time, and it was thought that the Bill would be progressed. However, it sat in the other place for nine months. It has arrived in this House and will be dealt with in less than 45 minutes because it has been well examined, both by government and opposition parties. I am delighted to hear the member for Midland supporting the legislation and making some cogent remarks.

I will deal with a couple of the points that were made. My advisers have given me some figures on armed robberies which may be of interest to members. In the 1993-94 financial year, the number of armed robberies was 467, of which 171 involved knives; in 1994-95, there were 742 armed robberies, of which 247 involved knives - that was a significant increase from one year to the next; in 1995-96, there were 889 armed robberies, of which 307 involved knives; in 1996-97, there were 1 001 armed robberies, of which 402 involved knives; and in 1997-98, there were 1 401 armed robberies, of which 589 involved knives. There has been a significant increase in the use of some form of sharp weapon in armed robberies. However, it is also interesting to note that, for example, in 1997-98, 589 of 1 400 armed robberies involved knives. Therefore, about 800 armed robberies did not involve knives. That means that a significant amount of armed robbery - that is, robbery in company with actual violence or alarm - involves other things. I suppose syringes would be one of the more common weapons, but other things are used as weapons when the violence that takes place comes under the definition of armed robbery. I caution members against assuming that all armed robberies involve a prohibited or controllable weapon; they do not necessarily do so.

The issue of pepper sprays has been interesting. The police around Australia have a strong view that pepper sprays should be totally banned and should not be available in society. That view is predicated on the reasoning that any weapon that is able to be used defensively can be used offensively. That is a fairly obvious, commonsense observation to make and is one that is true of pepper sprays. There have been a number of incidents in this State in which a pepper spray has been used to rob somebody. There have been a number of incidents elsewhere - I am not sure about this State - in which a pepper spray was taken from a person who had it for defensive purposes and it was used against that person. I know that within the last week a police officer used a pepper spray to apprehend a fleeing villain who had got over a fence. The policeman could not

use a baton or anything else. He used the pepper spray and was able to apprehend that villain. In other words, from a policing point of view pepper sprays are useful in certain circumstances, and police officers who carry and use them appropriately have found them to be successful. However, I also have in my mind's eye a picture from Victoria. Sometime in the last 12 months, the police had a man, who was subsequently found to be fairly demented, in the street outside Flinders Street Station - in other words, in a major metropolitan area - and police in a police vehicle were able to spray an enormous quantity of this substance, but it had virtually no effect on the man. It rather depends also on the state of the individual against whom the pepper spray is directed as to whether it works.

It has been a vexed question. The summation of public opinion in this State would be that the public considers it is reasonable for people, particularly young women, to have access to a pepper spray for their own defence. I simply make the point, as I have done on many occasions publicly through the media, that if someone carries a pepper spray and it is taken from that person, it can be used against that person. Therefore, it is an individual's decision. In some respects the purist view of the police would be preferred. However, on the other hand, pepper sprays are fairly ubiquitous these days. Many of them are in existence in society. It would be a long time before they were all, as it were, extracted from society, even if they were banned tomorrow - the public would not accept that anyway. I am obliged to members for their support of the legislation.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate, and passed.

### **PRISONS AMENDMENT BILL**

#### *Committee*

The Deputy Chairman of Committees (Mr Sweetman) in the Chair; Mrs van de Klashorst (Parliamentary Secretary) in charge of the Bill.

#### **Clause 7: Part IIIA inserted -**

Progress was reported after the clause had been partly considered.

Mr BROWN: Clause 7 of the Bill deals with contracts for prison services. This is a very long clause. It seeks to incorporate some 29 new sections into the Act. Clause 7 runs from page 4 to page 25 of the Bill and it will take some time to deal with it. That is not because we want to repeat matters but because the clause is the guts of this legislation. I will make an observation on the drafting which may or may not get back to parliamentary counsel. I find this method of drafting Bills most unsatisfactory with one clause of a Bill containing 29 proposed sections, given the standing orders of the Committee.

Mr PRINCE: Is it not perhaps more of a problem with our standing orders than anything else? If we were to change our standing orders so that we were able to deal with the clause 7 successive proposed new sections in the normal way in which we deal with successive clauses, the point the member is making would be overcome. I suspect that changing our standing orders would be easier than getting parliamentary counsel to change their style. I understand the point that the member makes and I agree with him.

Mr BROWN: I wanted to place on the record that clauses drafted in this way under our standing orders are difficult to deal with. The clause deals with the whole issue of the contracting of prison services and therefore the debate on it will be wide ranging. Some matters have been raised previously but I wish to ask questions on them before I go to the specific wording of the Bill. They are intrinsically related to contracting arrangements. This clause is being inserted primarily to facilitate in the first instance the management of the new Acacia prison to be built at south Wooroloo, which will have some 750 beds. Research that was around some years ago suggests that the optimum size for prisons for good management purposes should be no more than 350 to 400 beds. At that stage it was suggested, based on the best international research, that numbers above those made the whole situation too impersonal in that the superintendent and senior administrative staff could not possibly know and therefore hope to deal with all of the prisoners, officers and staff who would work in such a large institution. I am not sure what staffing there is to be for those 750 prisoners but presumably somewhere between 300 and 500 staff. That means trying to deal with 1 200 people of which 750 are prisoners and therefore a shifting population. They are simply too many to get to know and too many people where one needs the type of detailed knowledge of personalities and so on to effectively control in a management sense that type of institution. What has happened since that international research? Have the findings changed in recent years; and what are they?

Mrs van de KLASHORST: I am not sure what research the member is referring to but, as I mentioned to the member for Burrup yesterday, we are moving into the technological era in prisons. Typically prisons in recent times have been constructed in the 600 to 800-bed range. That is the case with all prisons recently constructed in Australia. When I looked at prisons in the United Kingdom, I found that bed numbers were similar. At Acacia prison a lot of new technology will be used in the perimeter monitoring and for information when prisoners enter the system. Prisoners will have a smart-card which will be programed during the morning to say where the prisoners should be. If a prisoner must go to the kitchen, workshop or gymnasium, the visit is recorded and it is known if he does not turn up. Such new technology has allowed prisons to be built much larger. Silverwater prison in New South Wales has 950 beds, which is part of the modern trend.

Mr Brown: Is it a medium security prison?

Mrs van de KLASHORST: Yes.

Mr BROWN: I understand that the use of modern technology has changed a number of aspects of the prison system as it

has generally in society. We have moved from the time when we had armed guards at the prisons' perimeters to a time where prisons' perimeters are usually multiple-fenced structures with cameras and sensitisers.

Mrs van de Klashorst: I do not believe that medium security prisons have armed guards.

Mr BROWN: That is correct. The big change at Canning Vale Prison some years ago was to put a big cylinder on top of the wall to make it difficult for people to throw grappling hooks over. I can understand the new perimeter security with cameras and other products. There is an opportunity to monitor prisoner movements between different sections of the prison. However, the monitoring of internal prison movements and all that information that one would be able to obtain from the system will not provide the human information that one needs in order to run a prison; that is, people might be able to detect whether prisoners X, Y and Z are in an area but unless people are in the area or monitoring the area, they will not be able to detect what is going on and the interplay between those three people. Serious questions are asked in larger, more bureaucratic institutions, whether public or private. The through flow of intelligence information in larger organisations, particularly larger prisons, does not augur well for the better administration of those institutions. It is better to have a situation, if it is possible, in which senior administration has a reasonable idea and a reasonable knowledge, certainly of all of the staff and their strengths, weaknesses, perfections and imperfections, and a reasonably good idea of the prison population and some of the likely issues that might arise. The point has been made, certainly in previous research, that to do all of that is not possible in institutions with above 350 or 400 people. I understand that with the use of smart cards and other new devices, it is possible to monitor movement and do those other things. However, that will not overcome the intrinsic problems that have been identified previously and have been the subject of considerable research. Has this matter been looked at by the Ministry of Justice? What was the nature of the research that was undertaken and when was it undertaken, and what were the findings of that research with regard to believing this was a good model to adopt? The difficulty is that the architects of Casuarina Prison said it was built for 360 prisoners and the good thing about that prison was that it could never hold more than 360 prisoners. However, the other day it held 745 prisoners. Acacia prison will, no doubt, be said to be a prison for 750 prisoners, but I guess that if other institutions are not built in the future, it will be a prison for 1 200 prisoners. That seems to me to spell fairly major problems in the medium term.

Mrs van de KLASHORST: With regard to the use of modern technology in prisons, one of the things that may happen at Acacia is the use of cell monitoring devices. Technology will be used to do the jobs that used to require a lot of personnel. That will free up the personnel who will work at that prison for the human interaction-type activities. The member would be aware that the training of prison officers now is completely different from what it was previously. They are now trained in psychological and human handling techniques. These people will be highly trained in those skills will be able to use those skills for personal interaction rather than to walk around the walls and monitor the boundaries to see where prisoners are. Computer technology has freed us all from many jobs and given us a chance to be hands-on. The RFP for Acacia requires 70 per cent interaction with prisoners inside the barrier and 30 per cent interaction with prisoners behind the barrier. Less than 5 per cent of the staff at any one time will be behind the barrier. The remainder will be interacting directly with the prisoners. The RFP is the outcome of international and national research which was undertaken by the project team, using a range of expert consultants from other States, and including Professor Richard Harding from Western Australia, who is considered the guru of private prisons. The member needs to understand that technology has taken over the mundane and repetitive tasks of prison officers and freed up prison officers for personal and human interaction. Prisons in the United Kingdom are now being expanded to 1 000 beds, which is considered with modern technology to be a humane way of handling prisoners.

Mr BROWN: The prison population in all of the prisons in the United States is increasing rapidly. The latest figures I have, which are about 12 months old, because that seems to be about the best figures I can get publicly, suggest that within a fairly short time, the United States will have the dubious distinction of having two million prisoners.

Mrs van de Klashorst: That is horrific.

Mr BROWN: I do not know how much that is above the Western Australian figure per 100 000 population, but from a rough calculation it is 600 prisoners per 100 000 population. I do not know what our rate is currently, but if we had that substantial increase, this State would go broke.

Mrs van de KLASHORST: In Western Australia it is 165 prisoners per 100 000 population, and in the USA it is 800 prisoners per 100 000 population. That indicates that we need to look at other ways of keeping people away from crime and out of prison.

Mr BROWN: It is interesting that a number of States in the United States are seriously looking at this issue, particularly those that have picked up the "three strikes and you are in" law, simply because no money is available for hospitals or anything else. The Parliamentary Secretary said that the project team looked at those things. Was that project team a Ministry of Justice team or a CCA team?

Mrs van de Klashorst: A Ministry of Justice team.

Mr BROWN: When I asked whether a 750-bed institution was the optimum size, given the previous research that was undertaken that suggested it was about double the optimum size, the Parliamentary Secretary said that matter had been looked at by the professionals in the project team. To what extent did the Ministry of Justice team determine the issues about technology, and will the Ministry of Justice direct, or the private builder direct the process with regard to technology?

Mrs van de KLASHORST: The RFP was written by the project team, before CCA or any other private company was involved. The project team was influenced by research and trends in the United Kingdom, which is looking at having 1 000-bed prisons. The trend seems to be to move towards that number. The RFP addresses the issue of the buildings being of

a humane scale and being suited to the type of prisoner. I believe Acacia prison will have specific buildings for Aboriginal and older prisoners who may have different problems, because the prison population will reflect the population in the community. The RFA also featured staff interaction with prisoners and looked at the United Kingdom trends and at how technology will be used as a tool and not compromise interaction between staff and prisoners.

Mr BROWN: I may return to the request for proposal. The Parliamentary Secretary made the following comment on page 7874 of this session's *Hansard* -

Privately-run prisons have made major innovations in the way that programs are presented and the prisoners are handled. They are properly funded, and that is what the Government intends to do with this prison -

What is the anticipated cost of operating the Acacia prison for a 12-month period? What will be the anticipated cost of running that prison if it were publicly run as compared to it being privately run?

Mrs van de KLASHORST: The cost of keeping an ordinary adult prisoner in a public prison is \$170 a day. I do not refer to juveniles. Acacia is still under negotiation and the figures are not complete.

Mr BROWN: I understand the general cost of accommodating a prisoner in Western Australia; however, cost differentials are involved with maximum, medium and minimum security operations because of distinct ratio levels. Also, contributions are made to the general prison system by minimum security facilities. Bearing in mind that the competition question is raised as a motivating factor in pursuing this policy, presumably cost comparisons will be made between medium security prisons operated by the public and private sectors. What is the current cost of keeping a prisoner in a medium security public prison today, and what is the anticipated cost of keeping a prisoner in the Acacia prison?

Mrs van de KLASHORST: No "pure" medium security prison operates in Western Australia. An interaction of different prisoners is found, so no direct cost comparison can be made. However, the cost of medium security detention is around \$170 a day a prisoner. A reference cost was used on the project of approximately \$170. The ministry took it as an average figure to work with.

Mr RIEBELING: In relation to a contract for the new prison run by the private sector, will the annual price be set as though the prison had a full complement of 750 prisoners, multiplied by \$170, multiplied by 365 days a year?

Mrs van de Klashorst: We answered that yesterday. It would be worked out on the anticipated average muster of 720 prisoners.

Mr RIEBELING: We have seen a massive increase in the prison population in the last 12 months, and a concession was made in the estimates hearings last week that the prison population in the past six months, and extending into the next 12 months, will increase by 1 100 prisoners. This facility will be the only increase in prison capacity in the foreseeable future. Therefore, how realistic is the estimate of a muster of 720 prisoners in relation to the current knowledge of prison numbers? The new methodology for calculating prison numbers is accurate, as we were told in the Estimates Committee last week?

Mrs van de KLASHORST: A draft contractual arrangement is made to facilitate shifts in volume over the years. However, a muster of 720 prisoners is considered to be the average number. The ministry is considering different contractual arrangements if any shift occurs in the volume of prisoners. It will be part of the entire deal.

Mr RIEBELING: I presume that if the number of prisoners in the state system increases dramatically, we will see an increase over the estimated muster of 720 prisoners. I presume that 720 is the optimum capacity for a prison designed for 750 prisoners.

Mrs van de Klashorst: The prison is being built for 750 prisoners, but an average of 720 prisoners is used in working through the contract. The prison can hold 750 prisoners. However, it will be capable of a 50 per cent expansion at the discretion of the minister in the future.

Mr RIEBELING: With double-bunking?

Mrs van de Klashorst: Has the member looked at the floor plan?

Mr RIEBELING: Yes, the Parliamentary Secretary asked me that yesterday.

Mrs van de Klashorst: The plan contains several dotted lines indicating additional cell blocks for the future. When the prison is built, it is planned that additional cell blocks can be provided within the perimeter. They are marked clearly on the original plans. It will be at the discretion of not the CCA, but the minister, to determine whether they are necessary.

Mr RIEBELING: The site capacity will be 1 500 prisoners.

Mrs van de Klashorst: It will be 1 100.

Mr RIEBELING: My calculation is that it will cost about \$120 000 a day to run the private prison.

Mrs van de Klashorst: Those figures have not been given out as they are still being negotiated. No figures have been bandied around.

Mr RIEBELING: The Parliamentary Secretary told us that 720 prisoners were being considered at \$170 a prisoner. That is \$125 000 a day, is it not?

Mrs van de Klashorst: That is a starting point cost. A figure of \$170 a prisoner a day is the average cost for a medium security prison. The contract is starting around there. We cannot start from nothing.



Mr RIEBELING: I am trying to establish the starting point. Is it about \$120 000 a day?

Mrs van de Klashorst: It costs \$170 a day per prisoner in the public system.

Mr RIEBELING: This is not a trick question. The Parliamentary Secretary said the Government is working on a muster of 720. If we multiply \$165 by 720 the cost is \$120 000

Mr CUNNINGHAM: I would like to hear more from the member for Burrup.

Mr RIEBELING: I wish to pursue my point on the cost of running this establishment. Despite some members opposite not being interested in the answer, people are vitally interested in the cost of the new establishment.

Mr Cowan interjected.

Mr RIEBELING: Is the Deputy Premier responding on behalf of the Government or is the Parliamentary Secretary? I wish to pursue my point on the actual cost of running the establishment.

Mrs van de Klashorst: The member for Burrup is on a wild goose chase. The costs are still under negotiation. While they are under negotiation I cannot provide a figure. The base figure for the average muster is 720 and the cost of the public system is approximately \$170 a day per prisoner.

Mr RIEBELING: I agree that we must have a starting point.

Mrs van de Klashorst: It is a starting point for negotiations.

Mr Cowan interjected.

Mr RIEBELING: The Deputy Premier can huff and puff as much as he likes but I will continue to ask questions on the Bill, in particular on clause 7, because the costs to the State of the prison system and the future protection of people within the prison system is of vital interest to the public.

The Parliamentary Secretary has indicated the starting point for negotiations must be established.

Mrs van de Klashorst: When one negotiates anything in this life one must have a place to start. They started at \$170 a day.

Mr RIEBELING: That is what I am trying to establish. The other point I am trying to establish is whether the Government has worked out what it would cost for a new prison to be run by the government sector, so we can compare the private sector with the public sector.

Mrs van de Klashorst: If one multiplies the average muster of 720 by the cost per day to run a public prison that would be the approximate cost of running the public prison. No-one can say exactly because we are working on approximate figures. That was the starting point for the negotiations for the new prison.

Mr RIEBELING: When the Government is assessing a bid, presumably it has a figure in mind for the private sector to run a medium security prison, so that it can compare that figure with the figure for the public sector.

Mrs van de Klashorst: Yes.

Mr RIEBELING: So that the people of Western Australia can establish whether their money will be well spent we want to establish how the Government will calculate the comparison.

Mrs van de Klashorst: As I explained previously, the figures are still under negotiation and are not available at this time. My adviser said that when one takes into account the establishment of this new prison it is not just the raw cost. Yesterday we talked about inputs and outputs. It is not how much money we throw into something, it is what we get out of it. The Government is also looking at the quality of service. As I mentioned earlier today technology is freeing up resources. The Government is also considering the value for money of this prison. We have a starting point for negotiations. However, we are negotiating not only on costs, but also the output or value for service we will be getting. Cost is one aspect of that. The Government has not gone into it solely on the basis of cost; it is concerned about overall quality and best practice service.

Mr RIEBELING: The Parliamentary Secretary indicated earlier the contract would be let on an annual basis.

Mrs van de Klashorst: They will be paid on an annual basis.

Mr RIEBELING: The average daily muster will be 720 and the equivalent government sector cost would be around \$165 to \$170 a day, which is about \$43m to \$44m annually. I hear what the Parliamentary Secretary is saying about testing the outputs. We went over many of those calculations yesterday to try to compare like with like. Which of the new technical innovations being put into the new prison cannot be put into the existing prison system because of the design faults? Yesterday, the Parliamentary Secretary spoke of the need for Aboriginal components and the like. In my area, the Aboriginal content of Roebourne Regional Prison, for instance, is about 98 per cent. Because of the high concentration of Aboriginal content in my area, the way of dealing with Aboriginal people is well-known; it is not an innovation, it is something that happens on a daily basis. Will the lessons learnt from the government prison system, especially in the Pilbara region, be taken on board by the private prisons? I hear members on the other side regularly say that the government system is slow to respond. I wonder whether all the information is expected to flow one way and not both ways. I would appreciate the Parliamentary Secretary's advice on those points.

Mrs van de Klashorst: The next Western Australian prison to be built is Acacia prison. When the Government

purchases the services of the Acacia prison contractors, it purchases that service for Western Australia. Of course, it must evaluate it. One does not do anything without proper evaluation, which is the evaluation that has been done to start this prison. All the technology that is in the Acacia prison will belong to the people of Western Australia. I cannot give the member all that information because the Ministry of Justice would make that decision with the minister,. However, I can say that the Government or the Minister for Justice announced that the full contract will be made public once the whole thing is settled. The people of Western Australia will know what they are getting. If the member remembers what the minister said yesterday during the debate, the Ministry of Justice will receive a report once a year on the complete running of the prison which must be tabled in the Parliament every year within 30 days of it being presented for the information of the public of Western Australia.

Mr RIEBELING: Does the department not do that anyhow? It reports once a year to Parliament. That guarantee for the public is something that happens anyway.

Mrs van de Klashorst: The report will also include the extent to which the compliance of the contract has been met. That is not something that has been done before because a contract has never previously been let out on a prison.

Mr RIEBELING: We will not have the same opportunity to examine the operations of a private prison that we have of examining the operations of a government prison through the Estimates Committee.

Mrs van de Klashorst: I disagree with that.

Mr RIEBELING: The protection to the public is in my view less under a private contract than it is if the Government were running it itself.

Mrs van de Klashorst: That is a philosophical statement.

Mr RIEBELING: It is fact in my view.

Proposed section 15C(h) says that the contractor is subject to "codes of ethics and conduct, as approved by the chief executive officer, to apply to the contractor, any subcontractor and their employees or agents". Presumably that is a work manual because of the use of the word "conduct". How far have those codes of conduct and ethics been developed? When will we get a copy of the way it operates, so that we can compare the mode of operation of the private prison with that of a public prison?

Mrs van de Klashorst: The code of conduct is presently being developed. It has not yet been submitted and the Ministry of Justice through the minister must approve it before it can be submitted.

Mr RIEBELING: Will it be available to the public prior to the signing of the contract?

Mrs van de Klashorst: I cannot answer that. I will check that with the minister, because I cannot speak on behalf of the minister without checking my facts first.

Mr RIEBELING: I refer to proposed section 15C(I) relating to the minimum conditions. Will the procedure to be set up to notify of escapes, deaths in prison, other emergencies and serious irregularities differ from the system that currently operates in our government system? If so, how will it be different? Will there be an automatic notification to the government prison authorities?

Mrs van de KLASHORST: Currently, there is no such reporting framework. It is planned to set a reporting framework under best practice minimum standards for that reporting.

Mr RIEBELING: I refer to proposed section 15C(j), which relates to the dispute resolution mechanism to be put in place. I presume that is a dispute resolution mechanism between the staff and management, or staff and the contractor. Presumably, the investigation procedure is another mechanism to attach to the dispute resolution mechanism. How will that differ from the current prison system?

Mrs van de KLASHORST: As I said, this is being worked through, but has not yet been presented. The member could contact CCA and ask for a draft, but remember that this would only be a draft and CCA would not be required to act because the contract has not been signed. This is what the negotiations are about; all these points are being negotiated during the negotiations for the contract. It would not have a draft until it has been accepted by the Ministry of Justice through the minister.

Mr RIEBELING: I am asking not what the contractors hope to achieve, but what the department hopes to achieve. I presume that the department has a standard group of rules with which it wishes the contractor to comply. I hope we are not in a situation in which we are waiting for the contractor to tell us what will be the conditions, which is what the Parliamentary Secretary just indicated. I can write to the company involved to find out what conditions it will agree to. It is the other side of the equation that I am after.

Mrs van de KLASHORST: We are talking once again about inputs and this refers to an input. The member may recall that we talked about inputs in the debate last night. As I explained then, the Government will pay on performance. It is a performance payment based on world best standards, and we talked about paying on a certain number of outputs. The member may recall we had a long discussion last night about the programs to be implemented and the Government will not have input into that. For example, in a private hospital the Government pays the hospital to perform a certain number of operations. The Government does not concern itself with the number of staff involved or the different operating methods used. It considers only the output - the number of patients on whom successful operations have been carried out. This is

the same type of contract. The contract will be for a full service and these aspects will be presented to the Government as the methods by which the company will perform the contract, but as an input.

Mr RIEBELING: Therefore, the Parliamentary Secretary is saying the Government does not have an interest in the content of these three provisions about which I have just asked? Is the Parliamentary Secretary saying the code of ethics or code of conduct that will be applied will be the business of the contractor?

Mrs van de Klashorst: No, I have said many times that the Government will be seeking world's best practice minimum standards in the whole contract.

Mr RIEBELING: The Parliamentary Secretary mentioned a minute ago that the Government is interested in the outputs and the method by which they are achieved is the business of the contractor.

Mrs van de Klashorst: Yes, but to the minimum standards of world's best practice, including procedural matters.

Mr RIEBELING: I want to know the minimum standards the Government will insist upon in proposed section 15C(h)-(j). If the contractor proposes a set of rules and procedures that are to be tested against something, are we just going to say, "It is headed 'Code of Conduct', therefore, it must be okay because we will pay them on outputs, not on how they achieve them"?

Mrs van de Klashorst: As I have said before, the Government has set standards which it will require as part of the contract. There are penalties if the contractors do not meet these standards. I suppose the nuts and bolts of the questions asked by the member relate to procedure manuals which are required to be finalised three months before receiving prisoners. These manuals will be presented to the Ministry of Justice for approval by the minister. As I said, they will be world's best practice standard. The Ministry of Justice is seeking the best possible outcome for the public money that will be spent on this prison, therefore, these manuals will be examined to ensure they are of world's best practice standard.

Mr RIEBELING: Proposed section 15E relates to the power to enter the private establishment. Presumably this is to ensure that everything is running correctly. Reference is made in brackets to searching for contraband and offences of that nature in the conduct of the prison. Why is this section required to search for these kinds of things? Perhaps the minister can explain why the power is given to the chief executive officer and not the Commissioner of Police. I presume this relates to offences against the Criminal Code and the Misuse of Drugs Act.

Mr PRINCE: For example, to take a very serious case, if someone were killed inside the privately controlled prison, there is absolutely no doubt the police have a right of admission. However, for example, financing models are currently being explored and in one of the models the State owns the building which is leased to CCA for, say, a period of 20 years. Normally under the terms of the lease the tenant would have the right to exclude everybody. By law - not by a contract or by a lease document - the chief executive officer, or anybody who is authorised under that delegated power, can enter at any time. Clearly that provision is required just for the purpose of inspection. We discussed at great length inspectors coming and going, seeing what is going on, having access to books and also dealing with contraband that may be, or may be suspected to be, there and so on. One would expect that the prison management would say, "We suspect we have contraband. Can you bring in the dogs?" The dogs would be able to sniff out the contraband. All the Bill is saying is that the inspectors can enter the prison even if the private company does not ask them to. For example, if information is available within the Ministry of Justice that there may be contraband in the Acacia prison and the local management does not know about it, rather than have any form of prior warning, the team can come in. That will give the maximum degree of flexibility to the Ministry of Justice to take the appropriate action to deal with issues like that within the prison, and in that sense it will override the technical capacity of the private operator to exclude anybody coming in.

Mr RIEBELING: I read that proposed section along the same lines as set out by the minister. However, proposed section 15E(1) says that it is for the purposes of paragraphs (a) and (b) which appear to relate more to compliance with the contract rather than the breaching of it.

Mr Prince: It is both.

Mr RIEBELING: The fact that prison dogs and the like will be used when going into the prison implies that it is not a breach of contract that is being looked for.

Mr Prince: It is actually, because, for example, it would be a breach of contract if there were drugs in the jail, in that one of the terms of the contract is that the contractor will exclude drugs from the jail. In order to ensure that that condition is met, we must have the right, without warning, to be able to go in and search the prison.

Mr RIEBELING: I am not saying it should not be in the contract. I just ask why it is worded in that manner when paragraphs (a) and (b) indicate it is more of a simple matter. However, the wording of the substantive part of the clause, especially the part in brackets, indicates a more sinister result is sought at the end of the day. However, I do not wish to pursue that point any further.

Mr Prince: What a pity; I had a wonderful response.

Mr RIEBELING: Proposed section 15E(4) reads -

An authorization must be in writing and may be made subject to such conditions and limitations specified in the authorization as the chief executive officer thinks fit.

Can the minister explain the type of authority referred to in proposed subsection (4)?

Mr PRINCE: That refers to the authorisation of the inspector who has the power to enter the prison to look at the programs being delivered. The authority would identify that individual by name and so on so that it can be ascertained that the person

who is presenting himself is in fact the person who has the authority. The authorisation would expressly extend to the ability for that inspector to look at all the manuals that are in place for the delivery of the programs, whatever they may be, to inspect the places where the programs are being delivered, to talk to the staff who are delivering them and so on. That is ensuring that the chief executive officer's power is being delegated properly to an individual who has a compendious ability to find out what is going on in the area. That is part and parcel of the monitoring of the contract: To ensure compliance, that standards are being met and that, as far as is possible, the results we want to achieve are being achieved.

It is unlikely that a financial auditor will have sniffer dogs. On the other hand, if the person going into the facility is a technician who has a dog or other equipment to assist in searching for contraband, the authority would be worded in such a way not only to identify him as an individual, but also to allow him to enter with any such apparatus that he thinks is necessary to discharge his duty. Given that, there can be no way in law that any of the contractor's employees or the contractor can prevent him entering. The whole object of the exercise is to ensure that the Crown, the State and the ministry have full access to all aspects of the contractor's operation.

Mr RIEBELING: Clause 5 is a hinder or resist provision and the penalty is \$20 000. Presumably that would not be a technical hinder or resist. Why does proposed section 15T(5) provide that the person giving false or misleading information is subject to three years' imprisonment? This proposed section imposes a penalty of \$20 000, which is mentioned for the offence of hinder in numerous clauses. Was that amount lifted from similar legislation in other parts of the world? How was that penalty arrived at?

Mr PRINCE: There is a difference in levels. An authorised person inspecting programs might go to the main gate and the officer in charge of opening the doors might be told by his superior not to let him in. Ostensibly that is a lawful directive by a superior to an inferior within the contractor's hierarchy. Nonetheless, the inspector has a power of entry and he is then able to say that he must be allowed entry and, if that does not occur, the person concerned will be guilty of an offence that attracts a monetary penalty. It is not fair to impose a harsher penalty on someone doing his job and being directed, albeit wrongly. There should be some form of penalty, otherwise the contractor who wanted to prevent the inspector's entry could do so without rendering himself personally liable.

Mr Riebeling: The person being directed could face that penalty.

Mr PRINCE: Yes. The inspector is at the gate, provides his identification and says that he has the right to enter and if he is not given entry the person concerned will be liable for this penalty. It is guaranteeing access. I do not believe that will happen; it is simply acknowledging the possibility.

Proposed section 15T(3) deals more with the fundamental of information. As I mentioned yesterday, this is an open-book exercise: Information flows freely from the contractor to the ministry and back again as appropriate. If someone wishes to falsify the information, that is an act of commission rather than omission and it is premeditated. It is something which has been worked out in advance and about which some false paperwork has been created. An officer's superior officer telling him not to let in the inspector, which is an instantaneous exercise, is different from someone taking hours or longer to prepare a set of false papers. That should be visited by a much harsher penalty. We are talking about imprisonment, and that is the correct balance.

Mr RIEBELING: Proposed section 15G refers to the annual reports and is presumably included to offer some comfort to the public. Proposed subsection (2) sets out the information that must be included, the direction of the minister and so on. Presumably this section takes the place of the appointment of a prison ombudsman.

Mr Prince: No.

Mr RIEBELING: This is the proposed subsection that allows the public access to information about what is happening in the prison. How extensive will that be, given the two points referred to in proposed subsection (2)?

Mr PRINCE: The annual report will be compendious. It will include everything except that which for security purposes should not be made public. That is a reasonable way of doing this. Whether we are talking about a private contractor or the public prison service presenting a public document about what it has been doing in the past 12 months, one would expect to see as much information as possible - that is, all of it - except that which may prejudice the future operation of the prison service. Information that would so prejudice the service is that relating to security. With that caveat, yes.

Mr RIEBELING: If there were a security breach and a prisoner had escaped, I presume the escape would be reported but not necessarily the method of escape. I understand that. What mechanism exists for that problem to be addressed and for the public to be reassured?

Mr PRINCE: If someone within the compound were able to breach security within the facility or to escape, the ministry would expect a report on that breach. How it was done would not be reported because we would not want to tell others who may not know how to achieve such a breach. Of course, that information goes to the ministry; it knows everything because of the open-book approach. It is obviously in the contractor's interests to ensure that that does not reoccur, and remedial action would presumably be taken immediately. The ministry is also there in a supervisory role to ensure that that happens.

I make the obvious point that anything that humanity can devise, another human being will try to break in some way in this context. Prisoners can be remarkably inventive. Having said that, there has been only one escape from Casuarina Prison; that was by the fellow who hid in a vehicle. That speaks volumes for the degree of devious complexity prison architects and security people can come up with, and also indicates their ability to keep everything up to date. One would expect to see the same initiatives here, but we would not expect to see made public the detail of how a person had breached security, except to the ministry.

**Progress reported until a later stage of the sitting.**

[Continued below.]

**[Questions without notice taken.]****COMMITTEE DEBATE, RELEVANCE***Statement by Speaker*

**THE SPEAKER** (Mr Strickland): Members, I have become aware over the past few weeks of what seems to be a growing trend by members on both sides of the House for debate in committee to range far from the clause which is under discussion. The principal standing order covering this area is Standing Order No 133 which requires that no member shall digress from the subject matter of any matter under discussion.

Members will be aware that debate at the second reading stage is wide ranging, allowing members to canvass not only what is in the Bill but all of the issues which surround that, including alternative approaches, differing philosophical views, and other related matters in the broad sense.

That is not the case in committee. The vote on the second reading determines whether the House agrees with the policy in the Bill. The committee stage relates to the way in which the Bill achieves that. Of course, policy issues are raised in committee almost all the time, but most clauses do not allow a rerun of the second reading debate or an imitation of an Estimates Committee debate. Members are required to relate their remarks directly to the clause or question before the committee and it is not acceptable to speak on matters not relevant to the clause nor, I might add, with only the most distant or peripheral connection. The Chair will usually allow some latitude if it appears to help the debate, but that latitude will only be for references in passing and not a fully-fledged debate.

One clause which deserves special mention is the short title. Somehow a view has emerged that a general debate is allowed on the short title of a Bill, and some members have taken undue advantage of the licence sometimes allowed by the Chair. Sometimes the Chair has formed the view that it will help proceedings if a few general remarks are allowed early in the Bill, thereby clarifying the approach of the parties to later clauses. The Chair should always retain the discretion to allow short interchanges which perhaps may lead to a more efficient handling of the Bill, but that cannot be extended to an opportunity to enter into a broad-ranging debate.

I advise that members who chair committee proceedings will continue to pay close attention to the issue of relevance. The Chair has a responsibility to ensure that the debate is conducted properly and I have drawn the Chairmen's attention to Standing Order No 142, which provides that a member who persists in irrelevance can be directed to discontinue; in other words, the member or minister may be sat down. Cooperation by all members, especially in compliance with suggestions from the Chair, will ensure the smoother running of the House, and I have arranged for a copy of this statement to be circulated to all members.

**PRISONS AMENDMENT BILL***Committee*

Resumed from an earlier stage of the sitting. The Chairman of Committees (Mr Bloffwitch) in the Chair; the Minister for Police (Mr Prince) in charge of the Bill.

**Clause 7: Part IIIA inserted -**

Progress was reported after the clause had been partly considered.

Mr BROWN: Proposed section 15B, headed "Contracts for prison services", states that the chief executive officer may, for and on behalf of the State of Western Australia, enter into a contract with a person to provide prison services for the State. The Bill is silent on the matters at which the chief executive officer shall look. What matters will influence the chief executive officer when entering into a contract to provide prison services?

Mr PRINCE: Obviously the chief executive officer will look at the request for proposal, the papers that have been put in, the selection of the proposed tenderer, the tender, and the negotiations that have taken place, in determining whether to enter into a contract.

Mr BROWN: Two separate matters arise from that. I understand that the chief executive officer will need to exercise his discretion when determining whether to enter into a contract for the provision of prison services. The Minister for Police said in his second reading speech at page 4860 of *Hansard*, when talking about private prisons in England, that -

As an example of this, the chief inspector of prisons in the United Kingdom has identified a range of matters in which private prisons have proved better. These include -

- (1) the preparation of prisoners for release;
- (2) relations between staff and prisoners;
- (3) staff morale;
- (4) the care of potentially suicidal prisoners;

- (5) more flexible visiting hours and procedures;
- (6) more out-of-cell hours; and
- (7) better control over authorised prisoner movements within prisons.

Will the chief executive officer take those matters into account when exercising his discretion under proposed section 15B?

Mr PRINCE: Among other things, yes.

Mr BROWN: Now that the minister has confirmed that the chief executive officer will take those matters into account, can the minister clarify how the chief executive officer will make an assessment about whether a private sector proponent or a public sector provider is better at preparing prisoners for release, which is one of the criteria the minister identified in his second reading speech? The minister has confirmed the criteria that will be taken into account by the chief executive officer under proposed section 15B. What tool or measure will be used by the chief executive officer to assess the relative performance of a private sector proponent and a public sector provider?

Mr PRINCE: That question does not follow from the previous question. The member has inferred and assumed, or wished to infer and assume, that the list of matters which is mentioned in the second reading speech is exhaustive or in some way prescriptive of the decision making process. It is not. It is, as I was at pains to say *inter alia*, a list of some of the matters that will be taken into account. It is not a prescriptive or mechanistic process that is entered into by the chief executive officer and staff. It is a matter for judgment. It is not a matter of competition between a public sector and a private sector bid. The reason for this Bill is to have a prison at Wooroloo called Acacia that is privately managed and run. In determining whether to enter into a contract, the chief executive officer may, not shall - it is not a mandated exercise; there must be a discretion, as the member quite rightly pointed out - consider what results will be demanded by the contract or outcomes, to use the current jargon, with which I do not agree, as opposed to inputs. The evaluation in the contracting process is basically guided by the service requirements. Those requirements have been set out in the request for proposal, the compendious document with which the member was supplied some weeks ago. They take into account the quality of the bids that have been made by private sector organisations. No comparison has been made in a competitive sense between private and public. What the Government is seeking to effect through this process is better results. That is the policy objective. We have assessed the RFP bids and come up with a select person. Contract negotiation is under way at the moment. If it results in a successful conclusion, by which I mean service parameters, a contract will be entered into; if it does not, it will not be.

Mr BROWN: Proposed section 15B will give significant power to the chief executive officer. I want people to understand what that power is. This clause of the Bill gives the private sector provider the power to delegate, not a little cleaning contract that employs a few people, and not a little contract that is peripheral, but a very significant contract worth millions and millions of dollars to run and manage a 750-bed institution.

Mr Prince: What is the point?

Mr BROWN: I am asking the minister to put on the record, so that I understand, and so that the record understands - the *Hansard* will not contain the request for proposal form the minister provided - what are the matters that, in the minister's view, or in the Government's view, the chief executive officer should take into account when he or she elects to exercise a discretion under this clause of the Bill.

Mr PRINCE: The answer seems to be self-evident; the member has answered it himself. The answer is: Does the contract deliver the service outcomes that we want; and does the contract deliver the results that it should deliver for the security, rehabilitation, care and so forth of prisoners - the plethora of matters that we went through ad nauseam yesterday?

Mr BROWN: I am asking the minister to not go through what he went through yesterday. In the minister's second reading speech - not in my second reading speech, not in the member for Swan Hills' second reading speech, and not in Attila the Hun's second reading speech - he identified seven issues on which he said that private prisons have proved to be better. I did not say that, the member for Bunbury did not say it, and the Deputy Premier did not say it! The minister said it! If these matters are relevant to the debate - the minister may now say that he was using those issues as an example and they do not have any relevance to this, in which case I understand - what is the Government looking for in these matters vis-a-vis the public system? That is all I am asking; it is as simple as that. I do not know how the chief executive officer will exercise his discretion. I do not want to see a situation develop some years down the track when somebody says very conveniently, "This was a decision of the chief executive officer, not the Government; this was his or her decision" and pass on the responsibility. The minister has introduced this Bill, which includes this discretion! He has also said in his second reading speech that these are the issues on which private prisons have delivered. Which matters will be taken into account, in the minister's view, when the chief executive officer chooses to exercise his discretion in accordance with proposed section 15B?

The CHAIRMAN: Order! I have looked through clause 7. There is nothing in the definition of what the "chief executive officer" may or may not do that deals with his making a decision about whether he will go to a contract. Therefore, I rule that this discussion is outside the parameters of this clause.

#### *Point of Order*

Mr BROWN: Mr Chairman, I direct your attention to proposed section 15B in the Bill which states -

The chief executive may, for and on behalf of the State of Western Australia, enter into a contract with a person to provide prison services for the State.

I believe that proposed section seeks to provide the chief executive officer with a discretion on whether he or she will enter into a contract for prison services - in this instance a contract for prison services at the proposed Acacia-Wooroloo South Prison.

The CHAIRMAN: I do not think the member listened to what I said. I said that having read that provision, and then having looked through the rest of clause 7, I saw no reference to making a comparison between a normal jail and a private jail. As that clause does not cover that, I do not believe it is relevant.

Mr BROWN: Mr Chairman, in light of the earlier ruling by the Speaker, can I seek some guidance from you? This legislation seeks to provide the Chief Executive Officer of the Ministry of Justice with a discretion. Is it your ruling that when Bills come before this Parliament that give officers a discretion and do not specify how they are to exercise that discretion, this Parliament is not entitled to examine that matter?

The CHAIRMAN: We are not dealing with the Bill; we are dealing with proposed sections to be inserted into an Act, which proposed sections are included in clause 7. I see nothing in that clause that refers to that which the member has been debating with the minister. Therefore, I cannot allow the member to continue.

Mr BROWN: Mr Chairman, this is a fundamental issue for this Chamber to consider. Therefore, I want to get your ruling on it and I foreshadow that if your ruling is narrow, I will move dissent from your ruling. This Parliament must have a very clear understanding of what members can and cannot test in legislation before it. I will go through this matter clearly so that it is on the record. Clause 7 contains a proposal to include new sections in the Prisons Act. One of the new sections sought to be inserted is proposed section 15B. It is headed "Contracts for prison services" and gives the chief executive officer a discretion on behalf of the State of Western Australia to enter into a contract with a person to provide prison services for the State. The Bill does not specify the factors which the chief executive officer will or may take into account in the awarding of that contract. Factors must exist, but there is no guidance as to the discretion that he or she may exercise.

I asked the minister how he expects that discretion to be exercised, because it is his legislation. I am either allowed or not allowed to do that. If I am allowed to do it, as I believe I should be, I want the minister to set out in the *Hansard* the way in which the discretion will be exercised. If I am not allowed to do it - and I will listen to your ruling, Mr Chairman - it simply means that the Government can bring forward proposals to this Parliament and to a committee, and seek to give discretion to ministers, chief executive officers or whoever, without specifying the criteria under which that discretion is to be exercised and without allowing debate in this Parliament about the way the discretion should be exercised. That is fundamentally wrong.

The CHAIRMAN: Before the minister responds, I just say that the member for Bassendean has been pursuing this line for three of his five minute breaks by asking the minister the question.

Mr BROWN: Absolutely.

The CHAIRMAN: The minister has given the member for Bassendean answers to the questions. He then wants to go further. There is nothing within the definition in the Bill that allows that; however, I accept that the word "may" adds a little complexity to the matter. Does the minister wish to respond?

Mr PRINCE: With regard to where we are currently, which is proposed section 15C which is part of clause 7, the member for Bassendean and I had a short interchange before lunch on the fact that something must be done about the standing orders in this place when one clause runs for about 19 pages. One cannot blame parliamentary counsel for drafting it in this way because it is the right way to draft it. Our standing orders should enable us to work through the subclauses of a clause in a progressive fashion and not go backwards and forwards. With respect, I suggest that is something which should be changed soon.

Proposed section 15C lists minimum matters that must be included in contracts and a number of other clauses refer to things that shall be in the contract. The member for Bassendean makes the fair point that it is a legitimate question to ask by what criteria a chief executive officer will exercise a discretion to enter into a contract; because it is not specified in legislation, nor would one expect it to be. I have answered that question. It may be that the inelegance of the language used by the member for Bassendean and me is such that I am now summarising it more succinctly than, between us, we have been able to do in the past 20 minutes. He may not like the answer and it may be that we should explore this matter for another few minutes before we both understand not only the question but also the answer, whether or not we like it.

I just make the point that in debate in this place members will not necessarily get the succinct answer that is readily understandable without going backwards and forwards a few times; that tends to happen in committee. I understand and acknowledge the ruling about relevance made by the Speaker and yourself, Mr Chairman, no doubt with assistance from the Clerks. That is fine and I have no problem with that; however, there must be a degree of latitude in using the imprecise language that is English to get over concepts that sometimes are not easy.

The CHAIRMAN: The minister was going to answer the question.

Mr PRINCE: I am happy to answer the question again.

The CHAIRMAN: I will delay my ruling on the point of order and listen to the minister's answer.

*Debate Resumed*

Mr PRINCE: It is a discretion. The criteria that the chief executive officer will use obviously will be first and foremost: The chief executive officer is responsible by statute for the proper operation of public prisons. This simply ensures in part that the chief executive officer remains totally responsible for the operation of a private prison. To determine whether to

accept this contractual arrangement with this party requires extensive and lengthy negotiation, but it is all related to service outcome and results. If I recall rightly, in the second reading speech I quoted from the inspector of prisons in the United Kingdom. He - I assume - was reporting the results that came from experience, observations and conclusions in the UK. We expect the chief executive officer to ask, by way of criteria in determining whether to enter into a contract, "Can we obtain the service outcomes we want by way of security, rehabilitation and specific programs in certain areas, whether it be anger management, Aboriginal matters or whatever; in other words that suite of things that we want by way of result. Can this proponent achieve that? Does the contract make sense in that context; in other words, can this be done?" The chief executive officer can then exercise discretion. The chief executive officer, notwithstanding being totally satisfied that that may be able to be done, may still say no, because it is not a trigger that if this, that and the other happens, this will logically follow and must; it is still a discretion. Even if the full service delivery requirements are met in the contractual document presented, the chief executive officer still does not have to sign it, but may.

Mr BROWN: I will not pursue this issue further because obviously, on the answers given by the minister, I will not get much further. However, I emphasise the point that the minister said in his second reading speech that seven factors contributed to private prisons having produced a better outcome than public prisons. Let us take one factor that the minister referred to; that is, staff morale. The minister said that, in exercising his discretion under proposed section 15B, the chief executive officer will have to ensure the proposed contract complies with the request for proposal.

Mr Prince: Clearly and obviously, yes.

Mr BROWN: There is nothing about staff morale in the request for proposal. There is a whole range of human resource policies on identification badges, methods of recruitment, checking criminal records, strategies to recruit and train, methods of delivery of correctional services and so on. However, there is no measure that says in exercising his discretion, one of the factors the chief executive officer will take into account is staff morale; that is the test.

Mr Prince: The chief inspector of prisons in the UK said that he found staff morale was one of the aspects that was better in the private prisons than in the public prisons. If the member for Bassendean looks through the RFP, which runs to some 100 pages -

Mr BROWN: I have it with me.

Mr Prince: About 80 per cent of it relates to all the various standards one could possibly think of in running a prison. How does one measure morale? It is not necessarily referred to in the performance standards. The adviser is looking it up at the moment. Performance measures on page 45 refer to minimum performance standards, annual performance, linked fee measures, provision of actual work hours, limits to proportion of contractive work hours other than when sick. As it refers to sick leave, would the member for Bassendean agree that the proportion of sick leave that is taken is one method by which to measure staff morale? If so, to some extent that performance standard is there but that is not the only way of doing it. There is no heading that says "staff morale".

Mr BROWN: I have made the point.

Mr Prince: Yes you have.

Mr BROWN: I rest the matter at this point: Many things are said about why contracts are entered into. There is no way of testing them and assessing in the medium term whether they have been achieved. No criteria are properly set out for some of those matters at the start.

Mr Prince: You are looking for a degree of certainty in human affairs that is not there.

Mr BROWN: The minister has quoted - I presume not simply to waste his time but with authority - these findings from the United Kingdom. Presumably it is the minister's and the Government's belief that these things will happen.

Mr Prince: It is not a matter of belief; it is a matter of reasoned conclusion. Belief is not reasoned conclusion.

Mr BROWN: Whatever the intellectual capacity, if that is the minister's reasoned conclusion, how is it tested? How do we know? We are doing certain things to achieve certain outcomes which are listed.

Mr Prince: I said that is what Her Majesty's Inspectorate of Prisons concluded in a report commissioned by the Blair Labour Government. We can reasonably expect that that will happen here.

Mr BROWN: I do not know whether we can reasonably expect it to happen, and that is the point. The record will speak for itself in terms of the degree to which I have attempted to test this matter, and the degree to which I have not been able to.

Mr RIEBELING: I refer to the effect of proposed new section 15I relating to contract workers' functions. The first part concerns me, inasmuch as it allows for the chief executive officer to authorise contract people to operate as prison officers or other officers. My fear is in relation not to the prison about which we are talking, but the power to employ contract workers in existing prisons.

Mr Prince: You cannot.

Mr RIEBELING: Under this section?

Mr Prince: I can see where the member is going. It cannot happen because the contract power extends to the limit of the prison boundary.



Mr RIEBELING: We are talking about the authorisation in this proposed section for a person on a contract to do work. My fears are not in relation to the powers of the superintendent, because the restrictions on the delegation of those powers, as set out in proposed new sections 15I(2) and 15J, indicate that it would not be feasible for a superintendent on contract to take the place of an existing officer. However, the only limitation on prison officers and other officers appears to be the powers conferred under section 47(1) and (2) of the current Act. I am sure the minister's adviser will say what they refer to. That appears to be the only restriction that cannot be delegated under this proposed section.

Mr Prince: There is also the adjudication of charges.

Mr RIEBELING: In relation to?

Mr Prince: Prisoners and prison officers. Was the member not part of this debate last night?

Mr RIEBELING: I understand what the minister said last night about the contract. My reading is that it is not restricted to only that prison, because it is the authorisation of the CEO who runs the entire department for a contract worker to hold various permits. They may well then be able to enter the ordinary prison system.

Mr PRINCE: My reasoning is that within the sovereign State of Western Australia public law is structured so that the CEO of the Ministry of Justice, under the Prisons Act, has authority within those geographic boundaries, and no authority, for example, outside those boundaries unless the laws of another place recognise that authority, which does happen. For example, with the movement of prisoners interstate, the power to restrain of a police officer in this State is recognised in Queensland. Geographically, it is a similar concept in that the CEO, because he is so empowered, is delegating and authorising certain powers to people to perform functions within Acacia prison. In fact, a superintendent, prison officers or other officers are given a permit to perform a function, except with those restrictions referred to in proposed section 15J, which largely relate to the discharge and use of firearms and the ability to deal with disciplinary matters with regard to prisoners and prison officers.

Mr Riebeling: Will these amendments go into the Act?

Mr PRINCE: Yes, the Prisons Act.

Mr Riebeling: The problem with these provisions in relation to proposed section 15J is that they are not specific.

Mr PRINCE: Say, for example, the member for Pilbara had a permit which said he was trained to operate as a prison officer, which we have agreed would be to the same standard that a public prison officer is trained to. He would be employed to work in Acacia prison and not anywhere else, and his authority would be exercised only in Acacia. I suppose, technically, the authority exists outside the prison but the employment arrangement relates only to work inside the prison, except when a prisoner is being moved. That officer cannot, therefore, be employed in some other prison, other than where the contractor has some ability to employ someone in another prison. That would require another contract between the CEO and Corrections Corporation of Australia, to allow some CCA people to be employed in some other jail. That is a separate exercise involving another contract and so on. It is highly unlikely, although it is possible technically. Certainly, nothing of that kind is envisaged. It may be - this is purely speculation on my part - that there would seem to be some desirability to use staff between Wooroloo and Acacia, but it is not envisaged. It is close by and perhaps it would occur in the case of a flu epidemic when half the prison officers were in their sick bed. It would require extraordinary circumstances. It might be a matter of some urgency to use surplus staff. Other than that, I cannot envisage that ever occurring because the authority relates solely to Acacia Prison and not anywhere else.

Mr RIEBELING: I thank the minister for that answer. However, it causes me a little more concern. It is clear that a specific authority will relate to the prison. As a result of this section could contract workers go into a government prison?

Mr Prince: Yes; they are called medical practitioners and lecturers and all sorts of other people.

Mr RIEBELING: I do not want to be accused of going off the track. We are referring to prison officers and other officers; medical officers are defined elsewhere in the Bill.

Mr Prince: It may be desirable to use a program team that is developed for a specific area in more than one place. That is a matter for negotiation; it occurs now.

Mr RIEBELING: Under these amendments can the chief executive officer put a privatised work force, such as prison officers, into the government system?

Mr Prince: Yes, of course.

Mr RIEBELING: Is that envisaged?

Mr PRINCE: No. If the chief executive officer has the capacity to delegate authority to contract workers to function in those ways, clearly they could be employed in the public prison. There is no intention to do that; it is certainly not envisaged. We are envisaging that a prison will be privately managed, not publicly managed with a part-private/part-public work force, although that is what we have at present with a plethora of other people who come and go. For example, a team of people such as psychologists, social workers and others may be employed to deliver anger management or sexual offender programs in Acacia on an as-needs basis once every few months or whatever. It may well be the same people delivering the program in Casuarina or Canning Vale, for example. They would not be employed full time for that; they would be employed on contract. For the purpose of Acacia they would be employed by Corrections Corporation of Australia; for Casuarina they would be employed by the ministry. That flexibility should be available in any event. This is not about one private prison

in law. We are seeking to provide a standard of service, public accountability and contract intervention mechanisms for the operation of a private prison. Clearly, the authority exists to employ a person with a permit, who is an employee of a private organisation, as a prison officer. There is no way that person will go into a public prison other than in the specific areas to which I referred.

Mr RIEBELING: I thank the minister for that answer. I refer him to proposed section 15K(4). Does the last sentence refer to the minister and is it envisaged that private contractors will go into the government system under this legislation?

Mr PRINCE: I think it is the other way around. There is a limitation on the private prison superintendent which I think we canvassed in relation to firearms, but mostly at superintendent level concerning disciplinary matters involving the officers and the prisoners. Proposed section 15K(4) is to ensure that the table in 15J, which is the limitation on the private superintendent, is never seen to apply to the public superintendent. The public superintendent has all the powers that the Prisons Act grants to a public superintendent at all times, irrespective of whether he is in the private or the public prison. The member might recall that when we referred to disciplinary matters we said that we would bring in the public superintendent to deal with those matters.

Mr Riebeling: Could it occur the other way around?

Mr PRINCE: No; if the private superintendent were brought into a public prison -

Mr Riebeling: If private prison officers entered a public prison would the superintendent have control of them?

Mr PRINCE: Of course the public superintendent would have control if they were taken in. Under the Prisons Act the public superintendent has control of everybody who walks through the gate. It does not matter whether they are prison officers, it is me, or it is the member for Burrup or anyone else. This proposed section will make certain that there is no way that the public superintendent can be deemed to have lost some form of power.

Mr RIEBELING: I thank the minister for his explanation. I refer to proposed section 15N concerning other kinds of work that would be high-level security work. The process required to declare work to be high-level security work makes sense in proposed subsections (1) to (3). However, subsection (4) appears to remove that obligation.

Mr PRINCE: The exercise of power is in the declaration of high-level security work. In that sense that lawful declaration is complete only when it is reduced to writing. The publication of the notification is not an essential part of the validity of the declaration. Proposed section 15N(3) refers to a notice of the declaration. It requires that there shall be publicity of the fact that there has been a declaration. However, the declaration is valid without publicity. In the normal course we would expect this to occur at the same time. The declaration would be made, published in the *Government Gazette* and so on. However, it is conceivable that a declaration would be made as a matter of emergency without there being time to publish it in the *Government Gazette*. We would not want the validity of the declaration to be challenged because it had not appeared in the *Government Gazette* before it was acted on.

Proposed section 15N (3) still requires notice to be given within 14 days. It is not that the declaration has validity only when it appears in the *Government Gazette*; it has validity as soon as it made and is in writing.

Mr RIEBELING: I will not pursue that, but I thank the minister for his explanation. I have a series of questions on proposed section 15P. Proposed section 15P (2) states -

To determine the suitability of a contract worker to do high-level security work the chief executive officer may . . .

It then contains paragraphs (a) to (c). Why was the word "may" included? "May" is an option word in relation to this legislation. Paragraph (b) of that proposed section states -

make appropriate enquiries about the contract worker . . .

Can the minister define what would be deemed to be appropriate? Paragraph (c) of that proposed section states -

enquire into the honesty and integrity of the contract worker's known associates.

How far will the inquiry go to work that out? Will it be the signing of a declaration stating, "I don't know any mean people", or something of that nature? How will that compare with the rules currently in place? Proposed subsection (3) states -

A permit may be issued subject to such conditions and limitations specified in the permit as the chief executive officer thinks fit.

If there is a reason to put special conditions on a permit, surely that permit should not be issued? We are talking about a permit to do high-level security work. If the chief executive officer has misgivings about a person, why would an allowance be made to make special conditions in relation to the issue of a specific permit?

Mr PRINCE: On page 54 of the request for proposal, the member will find under the general heading of "Staff training and accreditation" some specific references to information to be provided by the contract worker as well as by the contractor, which to some extent answers the question. The word "may" is included so the chief executive officer is not obliged to do that. If it said "shall", for example, it would then be the case that as long as the chief executive officer had received information under proposed section 15Q about offences, disciplinary proceedings, photographs and so on, and made appropriate inquiries about the contract worker - for example, a police clearance - and inquired into his honesty and integrity - for instance, a reference from a former employer - the chief executive officer would be bound to say, "Here you are, a high-level security work permit."

Mr Riebeling: Paragraph (c) is about known associates.

Mr PRINCE: I am generalising to some extent. The chief executive officer should have the ability to say, "No, I will not issue you with a permit. In making that decision, I will have regard to those issues in sections 15Q and 15S, and I will make appropriate inquiries." We are talking about the highest level of security work at which a permit can be issued as opposed to the lowest level; that is, people who have contact with prisoners. The lowest level permit is for a person who will never have contact with a prisoner; for example, he may deliver things to and from the prison and have no contact at all. The lower level person who has no contact with prisoners could have had some form of criminal record and rehabilitated himself, or have a minor record and so on. We do not want anyone to have contact with prisoners who has a known criminal record or who is known by the Police Service to associate with known criminal elements. It may be that that person is trying to get into the jail with the permit for high security work to either pass on information or contraband, or whatever the case may be, to a particular prisoner. The whole object of the exercise is to ensure that those who are eligible for high security work and who deal with prisoners on a contact basis are screened as effectively as possible. The way in which that is written is more stringent than that which is being carried out in the public system at present.

Mr Riebeling: I think they must go through a test in the public system. This says that "may" happen.

Mr PRINCE: The "may" relates to the chief executive officer's discretion to issue the permit, not to whether the tests must be complied with. The chief executive officer has a discretion to issue a permit and will have regard to paragraphs (a), (b) and (c) and other things. It could be reworded to say "the chief executive officer may determine the suitability of a contract worker to do high-level security work having regard to", and we would wind up with the same effect, but perhaps expressed in a way which the member for Burrup would understand.

Mr Riebeling: I understand it; it says "may" instead of "shall". This section deals with the issue of the permit.

Mr PRINCE: The proper interpretation of this proposed subsection is to grant a discretion to the chief executive officer as to whether a high-level security permit is issued, irrespective of whether a person complies with proposed section 15P (2)(a), (b) and (c) and all of the other subsections. The chief executive officer should have the ability not to issue a permit if, for example, the police say, "There is nothing we can put our finger on by certified record, but this person is known to be an associate of criminals; therefore, please do not issue him with a permit."

Mr Riebeling: That is not what it says.

Mr PRINCE: I think it is.

Mr RIEBELING: Paragraph (2) does not indicate anything about the "may" issue. To determine the suitability of the applicant as a contract worker, the chief executive "may" have regard to the three paragraphs; not "may issue". That is my query, not whether he may issue it. If he has regard to any of those paragraphs and receives adverse comments, he would not issue it.

Mr PRINCE: If the member wants to make absolutely certain of this and wants to move an amendment to delete the word "may" and insert the word "shall", I will agree to it, on the understanding that when Parliamentary Counsel looks at it overnight and comes back with some other reasoning, we will consider that. I agree with what the member has said. My advice is that what is written in the Bill means that, but I agree with him that there is an equivocation; it could be taken to mean both things. It should mean that the chief executive officer has a discretion as to whether the permit is issued. The chief executive officer shall take into account paragraphs (a), (b) and (c), but may not issue the permit even having received information to satisfy proposed section 15P (2)(a), (b) and (c).

Mr Riebeling: We do not want to compel him to issue it.

Mr PRINCE: Exactly. If the member wants to change the word "may" to "shall", I will agree to that.

Mr BROWN: On page 11 of the Bill, proposed section 15J deals with the limitation on the functions of contract workers. Proposed subsection (1) reads -

A contract worker cannot be authorized to perform a function that cannot be delegated to a person under section 8(1).

Section 8(1) of the Act relates to the power of a chief executive officer to delegate. Proposed subsection (2) reads -

A contract worker cannot be authorized to perform a superintendent's function of a kind referred to in a provision of this Act that is set out in the Table to this subsection.

Proposed subsection (4) reads -

A contract worker cannot be authorized to perform a prison officer's function referred to in section 47(1) or (2).

I think that is the firearms section.

Mr Prince: Yes, it is. The general heading of section 47 of the Act is the use of firearms.

Mr BROWN: I want to see how these proposed sections interact. Proposed section 15M deals with high-level security work. It reads -

A prison service is high-level security work if -

- (a) it is of a kind that requires the person providing it to exercise a power of a superintendent, a prison officer or any other officer; and
- (b) it is provided by a contract worker.

Proposed section 15N is headed "Chief executive officer may declare other kinds of work to be high-level security work". It reads -

- (1) The chief executive officer may, in writing, declare as high-level security work -
  - (a) a prison service of a kind that requires a contract worker to deal directly with prisoners except a prison service referred to in section 15M;

I have some difficulty in working out how those three proposed sections relate to one another. Proposed section 15J on its face places limitations only on contract workers and does not confer any powers. Proposed section 15K seems to say that a person who has an authorisation under 15I can perform the functions of a prison officer, yet under the definition of high-level security work he must get approval to do high-level security work, much of which would fall under the definition of work of a prison officer. I am having some difficulty working out where the line is drawn for a contract worker. An example might be that a contract worker engaged in a private prison is what is referred to in the prison service as a cell block officer. Would that person be in high-level security work interacting with prisoners?

Mr Prince: Yes.

Mr BROWN: Would that person require a permit?

Mr Prince: Yes.

Mr BROWN: What are the areas in which the contract worker is required to get a permit when working in a prison?

Mr PRINCE: The baseline is that for any worker in a prison to do anything at all, he must have a permit. He must have been trained, cleared and authorised and so on to get a permit. High-level security work is specifically designated in proposed section 15N as work that relates to operational tasks performed by frontline staff engaged in the direct provision of services - that is obviously contact with prisoners - as opposed to ancillary tasks performed by others in support roles; for example, people who might provide cleaning, secretarial or maintenance services and who have no contact with prisoners. The distinction will enable the chief executive officer to allocate powers to contract workers as appropriate. It also enables the chief executive officer to apply screening safeguards to ensure integrity and accountability in the selection, recruitment and ongoing monitoring of the contractor or subcontractors' workforces engaged in those services. In order to perform high-level security work, a contract worker must possess a permit issued by the chief executive officer. If the airconditioning system, for example, breaks down or requires service, we would bring in a subcontractor's employee or a number of them to perform that work. They cannot come into the place without a permit. The permit must be issued under the authority of the chief executive officer. A person to whom that is issued must have some form of clearance. That, as it were, is the lower order of permit. The high-level security is where there is a possibility of contact or on a daily basis - the member gave the example of a cell block officer - the probability of contact between officer and inmate. In a sense we are defining a hierarchy by saying the minimal level at which it will operate, which relates only to those who have no contact with prisoners, and then we move up to the higher level where there is contact with prisoners.

Mr BROWN: I am indebted to the minister for that explanation. As I read proposed section 15N(1), the chief executive officer has a discretion to declare other types of work to be high-level security work, as the heading of the proposed section suggests. One management style of prison means that we have permanent gatekeepers at the front gate who ordinarily would not have contact with prisoners but contact with officers. Prisoners come in secured in a van, go through the outer gate and then through the inner gate. A chief executive officer may decide that people in that area are not involved in high-level security work in that they do not come into contact with prisoners.

Mr PRINCE: Yes. My advisers states that they will if they are escaping.

Mr BROWN: So will the airconditioning technician.

Mr PRINCE: I will come to the contract plumber in a moment. It is fairly obvious that if one wants to move a prison officer around a prison to perform different jobs, he or she will need high-level security permit status.

Mr BROWN: I have seen a number of different management regimes apply across Australia, although admittedly that was a number of years ago. Each State thinks it has the best regime. At one stage, officers in New South Wales worked in only one cell block and nowhere else. The New South Wales authority argued that this was the best approach because the officers became close to the prisoners and acquired intelligence. If a security clamp down or search was needed in the cells, other officers carried it out. It was claimed to be the best institution management. Others say it is an awful approach. The argument rages. The point is that the chief executive officer will exercise a discretion in Western Australia on the security status of the work to be performed. Is it the legislation's intention that people who have contact with prisoners in a supervisory role, or a potential supervisory role, will be declared to be performing high-level security work?

Mr PRINCE: I understand the member's point about officers working on one cell block only, and nowhere else. That rationale probably has weight. However, the prison population becomes comfortable with such an arrangement and works out its limitations. It is appropriate to change approaches so limitations are remedied. The debate rages. One must be flexible. One must be changeable rather than fixed in one's approach so that limitations in any system are regularly reversed and overcome.

What happens here will depend largely on the contractor. The CEO will issue permits to the contractor. If a contractor is determined to run in accordance with the model outlined - namely, discrete cell block officers dealing with prisoners - and if the CEO is happy about that arrangement, permits will be issued. If a different model is adopted, and the CEO is satisfied, permits will be issued. It will be a discretionary exercise.

I gave the example of the airconditioning maintenance people who have no contact with prisoners and the issuing of non-high security permits. However, if a plumber digs up ground near prisoners, it will be necessary for employees of XYZ plumbing company to undertake a check process to obtain a high-level security permit for a particular job for a particular time, probably with some supervision around. Basically, that happens in the public prisons if not formally, certainly informally. One would expect that to be in place for use when required.

Mr BROWN: I understand that. That is fine. Is it intended, whatever management system is put in place, that contract workers with supervision or potential supervision over prisoners - that is, they are expected to intervene in event of an escape - will be deemed to be involved in high security work?

Mr PRINCE: Yes. I would take it further: Anyone who has no direct contact with prisoners but who is privy to intelligence relating to prisoners and their activities will also be deemed to be performing high-level security work. This is simply as a result of the nature of the information passing across the desk in front of that person which might otherwise be misused if it were available inside or outside the prison. The process is not limited to those who actually or potentially have contact with prisoners, but also applies to those with possession of intelligence of some description - be it knowledge of procedure and so on - which could prejudice the security of the prison.

Mr BROWN: I move -

Page 7, after line 8 - To insert the following -

**15D. Disclosure of Contract Workers' Classification Structure**

- (1) Each employee contract worker shall be paid not less than the classification structure disclosed to the Minister.
- (2) The contractor shall disclose to the Minister, at least once in each financial year, the employee contract workers' classification structure which shall include the minimum weekly wage payable under that structure.
- (3) The information provided to the Minister shall be made publicly available on demand.

I move this amendment for the same reasons it was moved in another Bill we discussed recently. The amendment will insert an obligation for the classification structure for each employee contract worker to be disclosed. I make the intention clear as it has been misunderstood and misrepresented in the past. The amendment does not seek to require a list to appear in the *Government Gazette* or wherever of every employee and his or her fortnightly pay for a year. That is not the object. The provision will ensure that a list is made of the classifications structure; that is, contract workers on high security work, contract workers not on high security work and whatever the other classifications may be - I do not know at this stage. The minimum weekly wage payable under the classifications structure will be outlined. It will not mean that one cannot pay people more or enter into a different arrangement with an individual. It will not be required to disclose how much overtime someone received, to whom that person is married, his or her blood type or whatever. It will require an outline of basic requirements; namely, that which would relate to an award or enterprise agreement.

I also draw the attention of the minister to the following: It is interesting under this Bill - and I agree with it - that in terms of transparency this private contract is subject to the Ombudsman, the Anti-Corruption Commission and so on. What is not clear and what does not apply is that if workplace agreements are to be used in the public sector, as I understand they are to be under this new contract, they will be publicly available and transparent. If it were the private sector, they would not be transparent.

Mr Prince: I did not think they were.

Mr BROWN: Rather than take my word for it, I invite the minister to check the Workplace Agreements Act because it has been a while since I read it. I will stand corrected if I am wrong. The Minister for Labour Relations is here; she is obviously familiar with the Act and she may be able to tell us the position. My understanding of that Act is that workplace agreements in the public sector are available for public scrutiny. However, workplace agreements in the private sector are not available for public scrutiny and are not subject to Acts such as the Freedom of Information Act and so on.

**Progress reported.**

**HIGH CONSERVATION VALUE FOREST PROTECTION BILL 1999**

*Second Reading*

**DR CONSTABLE** (Churchlands) [4.02 pm]: I move -

That the Bill be now read a second time.

The purpose of the High Conservation Value Forest Protection Bill is to ensure that the Regional Forest Agreement comes before this Parliament for approval.

This is a short and straightforward Bill. The Bill requires that the signed RFA be tabled in both Houses of Parliament for 28 sitting days, during which time a notice of motion for resolution must be moved in each House. Each House then has a further 14 sitting days in which to pass this resolution to approve the agreement. If either House fails to pass a resolution approving the tabled RFA, that agreement will lapse. However, the agreement may be amended and re-presented for parliamentary approval.

The Bill places a hold on logging of high conservation value forests which are the focus of community and scientific concerns until the RFA is approved by both Houses of Parliament. The Bill identifies high conservation value forest in several ways.

The first category of high conservation value forest is that entitled old-growth forest in the Department of Conservation and Land Management's map published in 1998 as part of the comprehensive regional assessment report. Most of this category of forest occurs in the southern forest region.

The second category of forest covered by the provisions of the Bill are those areas identified by the Australian Heritage Commission in the southern forests. These areas have been placed on either the register of the National Estate or on the interim list of the register.

The third category included in the Bill seeks to protect areas judged as exceptional in the central forest region. This region is poorly endowed with reservations at the current time and has an extensive logging history. Because of this, certain areas are identified which the Bill seeks to protect from further logging. In each case these areas have had the support of nearby shire councils. These forest areas are nominated in the schedules to the Bill. I seek leave to table maps of each schedule.

[The material in appendix A was incorporated by leave of the House.]

[See page 8714.]

Dr CONSTABLE: The three schedules comprise Kerr forest, Hester forest and the Wellington National Park proposal.

Kerr forest is a small area of 132 hectares, a few kilometres to the east of Balingup. This area has not received any protection under the RFA. The majority of Kerr block has already been extensively logged in the past decade. The area designated in the Bill is actually a logging compartment awaiting the chop. It has been the focus of intensive community interest because of the trapping of four chuditch or native quoll on the site. The people of Balingup are concerned that this last patch of Kerr with old trees remaining, and the closest forest to the townsite, should be left intact. They have taken their case as far as the High Court of Australia.

Hester forest, in schedule two, is another area of forest of special local concern. Hester forest is actually a series of state forest patches surrounded by cleared farmland. Again, this is a small area; 4 000 ha is all that remains of the original 13 000 ha forest before clearing occurred. Hester forest has had some of its area set aside under the RFA. However, over 1 000 ha is still unprotected including some of the highest quality parts. It is noteworthy that Hester brook is the second highest contributor of salt to the Blackwood River, and surrounding farms are already salt affected. As with Kerr forest, the local Bridgetown people see these forests as vital to the amenity of their district.

The Wellington National Park which is specified in the third schedule is an exciting conservation proposal for a 30 000 ha national park located between Bunbury and Collie. The private freehold land acquired by government recently, known as the Worsley Timber Pty Ltd land, is included in this proposal. The national park proposal also includes the beautiful Honeymoon Pool area, and spectacular riparian features on the Collie River. Some of this area has been incorporated into the RFA, including the 3 175 ha of Worsley timber company land recently acquired by the State. Overall, 9 666 ha of the approximate 30 000 ha proposed national park is now protected. The national park proposal has the support of the shires of Dardanup and Collie.

The Bill provides for a process of parliamentary scrutiny and ratification that is quite proper and usual. The Bill has a great deal in common with the state agreement Act model. As with state agreements, the role of Parliament is that of ratification. That is to say, Parliament does not actually execute the detail of the agreement, which is clearly not appropriate. However, Parliament has an important role in approving or rejecting the commitment into which the State Government has entered. If approval is not resolved, the Bill has provision for an amended agreement to be presented for parliamentary approval.

Parliament has a similar role in a number of other instances where documentation must be placed before each House of Parliament and may be disallowed. These include -

Any regulations, rules, local laws and by-laws made under an Act of Parliament.

Any substantial amendment to the metropolitan region scheme.

An order by the Minister for the Environment approving a draft environmental protection policy.

The cancellation of any class A reserve.

A reduction by more than 5 per cent of any class A reserve.

The excision of an area from a conservation park, national park or class A nature reserve for the purpose of a road.

Reservation of land for the purpose of state forest.

Abolition of state forest.

Reservation of Western Australian waters as a marine nature reserve, a marine park or a marine management area.

In addition, state agreements commonly provide that either House of Parliament may disallow the agreement. This is of interest to this Bill. I have a list of 44 such agreements and while it is not necessary to read the entire list, it includes the Albany hardwood plantation agreement, the Bunbury tree farm project agreement, Collie hardwood plantation agreement, Dardanup pine log sawmill agreement and wood chipping industry agreement, and others related to alumina, coal, diamonds, gas, iron ore, mineral sands, nickel, Ord River hydro energy, Pilbara energy project, Shark Bay solar salt industry, silicon and uranium. This begs the question: Why is it deemed important to have agreements related to plantation timber and the wood chipping industry brought before Parliament, but not the Regional Forest Agreement?

Given Parliament's role in scrutinising these agreements and agreement Bills, it is appropriate that Parliament should exercise the same power of scrutiny over the Regional Forest Agreement as it does routinely over similar matters. From the points of view of the public of Western Australia and of this Parliament, the RFA process left a lot to be desired. For example, the public consultation process, when members of the public were invited to make comment, was seriously wanting. The official analysis of over 30 000 public submissions would fail any test of analysis of this type of information. Public submissions were selectively used to support the RFA. In the final analysis, this was only token public consultation.

The RFA was kept secret until after it was signed despite the original undertaking to release a draft RFA for public comment. There was no Environmental Protection Authority review, even though this was promised by the Premier and the Prime Minister. Given these commitments were broken by the Government, it is even more important than ever that Parliament scrutinise the RFA.

I turn now briefly to address two matters which have been raised about this Bill. The first relates to clause 4 of the Bill, which states that "this Act binds the Crown". It has been suggested in another place that this clause might have made the Bill unconstitutional. I am advised by Dr Alex Gardner, senior lecturer in Constitutional Law at the University of Western Australia, that this clause would be read by the courts as applying only to the Crown in right of the enacting jurisdiction; that is, in Western Australia. This advice confirms that the Bill does not purport to bind the Crown in right of the Commonwealth. Furthermore, this Bill is not inconsistent with any Act of the Commonwealth Parliament. Therefore, section 109 of the Commonwealth Constitution, which provides that commonwealth Acts shall override inconsistent state Acts, does not apply. On these grounds there can be no constitutional objection to the Bill.

It has also been suggested that the disallowance procedure set out in clause 6 may not be a viable option. The RFA is an intergovernmental agreement, and therefore section 42 of the Interpretation Act, which refers to the general process for disallowing regulations, rules, local laws and by-laws, does not apply. Hence, there is no difficulty with the Bill setting out its own procedure for disallowance.

In commending this Bill to the House, I remind members that high conservation value forests, once seen only as a resource to be used, are now considered by the vast majority of Western Australians to be a matter of heritage to be preserved for future generations. Parliament must be given the opportunity to approve the Regional Forest Agreement on behalf of the people of Western Australia.

Debate adjourned, on motion by Mr Pendal.

## POWER GENERATION, COST

### *Motion*

**MR THOMAS** (Cockburn) [4.13 pm]: I move -

That this House expresses its concern that -

- (1) families and businesses in Western Australia pay the highest prices in Australia for electricity; and
- (2) the new Collie power station has the most expensive black coal-fired generating capacity in Australia and has encumbered electricity consumers with a further \$800m debt,

and calls upon the Public Accounts and Expenditure Review Committee to investigate and report to the House on -

- (a) the probity of signing the contract without putting the project to competitive tender;
- (b) the prudence of the terms of the contract; and
- (c) the effectiveness of Western Power's management of the contract.

Underlying this proposition are two factors that can be represented in graph form. The first graph illustrates electricity prices on a state-by-state basis and, as the motion states, confirms that Western Australian families and businesses pay by far the highest prices in Australia for their electricity. The second graph sets out the price per kilowatt of generating capacity of black coal-fired power stations in Australia.

Dr Turnbull: Can we have the sources?

Mr THOMAS: Yes.

Mr Barnett: Are they attached to the graphs?

Mr THOMAS: No, they are not, but I am more than happy to supply that information to the minister.

Dr Turnbull: We suspect that the source is your office.

Mr THOMAS: I am very pleased that the member is interested in this issue. The figures are from the annual reports of several departments.

Dr Turnbull: Who constructed the table?

Mr THOMAS: Someone in the office of the Leader of the Opposition.

Mr Barnett: That is an authoritative source!

Mr THOMAS: The question was: Who constructed the graph?

Mr Barnett: Someone in the office of the Leader of the Opposition!

Mr THOMAS: Someone in the office of the Leader of the Opposition who has better word processing skills than I transformed the numeric details I provided into a graphic form, and she did a very good job. I take responsibility for the figures.

The graph includes reference to the Collie power station, which is to be opened this week. If the minister, the member for Collie or any other member wishes to challenge the figures, not only are they represented in a graphic form but they are also attached to the graph.

The graph illustrates that the cost of black coal-fired generating capacity per kilowatt at the Collie power station is \$2 682. That is in excess of twice the national average.

Mr Barnett: I suggest you personally sign and hand out copies of that to the workers at the opening on Friday.

Mr THOMAS: I am more than happy to talk to the workers. I seek to have this stunning information incorporated in *Hansard*.

[The material in appendix B was incorporated by leave of the House.]

[See page 8717.]

Mr THOMAS: These graphs are the basis of the proposition I have put to the House today; that is, that the circumstances -

Mr Barnett: These are the pillars on which your argument is structured.

Mr THOMAS: The failed Minister for Energy, whose chickens are coming home to roost this week, makes a joke of this as though these matters are lightweight. The most important aspect of energy policy in this State is the fact that we have the most expensive electricity in Australia. Families and households in Western Australia pay more per kilowatt hour than those in any other State. In addition, the power station, which this minister was responsible for commissioning -

Mr Barnett: Too right, and I am proud of it.

Mr THOMAS: - is the most expensive black coal-fired power station in Australia. I am not talking about a few dollars per kilowatt; the difference is in excess of 2:1. The minister sits there and glibly makes light of these matters. The Opposition does not believe that this issue is lightweight; it is very important and it should be examined by the Public Accounts and Expenditure Review Committee of this House.

Mr Barnett: I assure the member that my response will be neither glib nor light.

Mr THOMAS: I am looking forward to it, because we have not had much light in any form from the minister. It is not my intention to spend a lot of time raking over old coals.

Mr Barnett: We intend to. We intend going over this project. The member can take his time.

Mr THOMAS: That is the minister's prerogative. It is important to note the circumstances - we want the Public Accounts and Expenditure Review Committee to look at this matter - in which the power station was commissioned. In an unprecedented act of impropriety, this minister has had the former State Energy Commission of Western Australia commission the construction of this power station, the biggest contract on the expenditure side of the ledger entered into by this Government since it came into power, without its being put to tender.

#### *Point of Order*

Mr BARNETT: The member has just accused me of impropriety.

Mr THOMAS: What else would the Leader of the House call it?

Mr BARNETT: The accusation of impropriety was that I did not put this contract out to tender. My point of order is that when we came into office, the ABB-Itochu Consortium had a mandate - effectively, a contractual obligation from the previous Government.

Mr THOMAS: That is absolutely no point or order. It is the substance of the debate.

The DEPUTY SPEAKER: It is up to me to decide that.

Mr THOMAS: I am making a representation on that point. To accept this point of order, the Deputy Speaker would have to accept that the assertion of fact made by the minister is wrong. I can produce data which will demonstrate that the factual assertion the minister just made is wrong. If he believes the points I made are wrong in fact, he can counter them in the



debate. That is not a point of order; it is a point of fact. He will have the opportunity to rebut these statements - if he can, which he cannot - when he speaks later in the debate.

Dr TURNBULL: The point put forward by the member of the Opposition is that the word "impropriety" that he used is a fact. That is not true at all. He may be debating what he considers it to be, but he cannot say that it is a fact that the Minister for Energy has committed an impropriety. It is not a known fact. I think the member should withdraw that statement that the minister has acted in that fashion.

The DEPUTY SPEAKER: I do not believe there is a point of order. There are different points of view on a subject. We are having this debate to consider those points of view.

*Debate Resumed*

Mr THOMAS: If I might say, that ruling was delivered in a statesmanlike manner.

At the time the construction of this power station was commissioned for a nominal price of \$575m, the minister refused to put the work out to tender. Mr Deputy Speaker, you were here at the time and would be aware of the debates during which members on this side of the House said that this was wrong, that it was improper and the work should go to tender. The minister said that under the earlier mandates - it is important to get this clear; it is available on the *Hansard* record - the Government was not obliged to give either of the competitors, either the ABB-Itochu Consortium or Transfield-Mitsubishi, the right to construct a power station on the coalfields at Collie. It was not under any obligation or threat of litigation. Nonetheless, the minister decided that, in his view, on the advice of some people, ABB-Itochu could put forward the best proposition, and he was prepared to accept the offer.

As I have said a number of times - I said this at the time as did my colleagues the member for Eyre and others - it was wrong and it was improper. I repeat: We said that it was improper. The then State Electricity Commission could not buy a car without going to tender, but it could let a contract for a notional price of \$575m, which ended up being \$800m in actual costs, without doing that. We said that was wrong. The minister, in his pompous manner, belittled us. One company, in particular, was competing and vying for the work on the coalfields. It put out an advertising campaign and said that it could do the job for \$60m less. In recent times those advertisements have been circulated. The minister said no, that was not right, that this was the best way of allocating what ended up being \$800m, a very substantial expenditure. He also said that he had reports from consultants. Pacific Power had given him some advice and somebody - I forget the name of the gentleman from the former South East Queensland Electricity Board -

Mr Barnett: I referred to Barry Flanagan.

Mr THOMAS: The minister also gave the name of someone else from Queensland who had provided him with advice, unless he was lying at the time, which I am sure he would not. The minister should read the *Hansard* record of his speeches at the time. He said that someone from Queensland provided advice.

The DEPUTY SPEAKER: I ask members to be very careful when they use terms such as "lying".

Mr THOMAS: I said "unless the minister was lying, which I am sure he would not". Obviously the minister has forgotten. At the time he said he received advice from someone in Queensland. If he said that at the time, I am sure he did. The minister had been given advice that the deal negotiated with ABB-Itochu was prudent and good and that that was a much better methodology of spending \$575m of public funds than the tried and true method of competitive tendering, and that was how he operated. It came out later in the debate that he had not read these reports. He was relying on the reports to spend notionally \$575m, which turned out to be \$800m. Apparently he was content to read the bottom line; and place a tick against the options of yes or no, good or bad, or whatever.

At the time we said - I have said this on a number of occasions, and in submissions to the Commission on Government - that is one of the grossest acts of impropriety that we have seen in this Parliament; that it is a wrong way in which to behave and to spend public money. I am saying that that assertion has been vindicated as dramatically as it could possibly be: This State is suffering the most expensive electricity prices in Australia, when the prime objective of the minister responsible for Western Power, formerly the State Energy Commission, should be to secure lower energy prices. The families and the businesses of this State want that. Surely that should be the primary aim, the prime objective of the person holding the portfolio of Energy; yet, this minister has delivered the most expensive power station in Australia, the most expensive generating capacity of black coal-fired capacity in Australia.

Mr Barnett: Are you still coming to the opening on Friday?

Mr THOMAS: Yes, unless my invitation is revoked; even then, I think I would probably still go.

Mr Barnett: I just want to make sure you are going to be there.

Mr Pandal: The minister is offering you a lift down there in his car.

Mr THOMAS: He, or someone from his office, offered me one.

Mr Barnett: Only down there, not one back!

Mr THOMAS: I am attending the opening of the power station. It has been long awaited, and I welcome it. I do not welcome the fact that such a shoddy deal brought it to fruition, one through which the public of Western Australia is now encumbered with a debt of \$800m. Those numbers need to be repeated time and again because that debt will hang over electricity prices in Western Australia for many years to come. The House should remind itself that these numbers are of

a magnitude of more than 2:1. For example, the Deputy Premier may say, as he does whenever this matter is drawn to his attention, that it might only be a 350 megawatt power station, but he comforts the member for Collie with the fact that it has a 600 MW chimney. It has been scaled up to allow for addition. It has a bigger chimney than it would otherwise need and that adds to the cost. Maybe we should add 10 or 15 per cent to the cost to allow for the power station being over engineered in some respects. One could say that instead of being 50 or 55 per cent in excess of what it should be, it is only 30 or 40 per cent. Instead of losing \$400m - a debt which now hangs over the electricity consumers of Western Australia - it is only \$240m or \$250m. The point is, it is an enormous mistake.

Mr Barnett: I do not want to upset your story but even a cursory glance at Western Power's financial records shows that their debt-equity ratio has improved dramatically under this Government. They are not burdened with debt; they have even less debt than when we came into Government; plus they have a new power station.

Mr THOMAS: That is right and I congratulate the minister for that. However, the point I am making is that Western Power could have been between \$240m and \$400m even better off. Even though it has a better debt-equity ratio than might have been the case in the past, it could have been even better off. That \$240m, \$400m, or whatever the amount is, must be paid. If the contract had been entered into on a competitive basis, it may well have been a different story. I cannot guarantee that, I do not know what other prices would have been achieved through competitive tendering. We know that another reputable and experienced constructor of power stations in this State was running around the city taking out advertisements stating that it could build the power station for \$60m less. That \$60m might not seem like a lot to the Minister for Energy, but it is a very substantial start in this type of process. Who knows who else might have put in a bid and what other prices might have been achieved? The minister should look at this graph and study it. The graph will be in *Hansard* tomorrow and the minister will be able to reflect on it for some time to come if he subscribes to *Hansard*. The Minister for Energy should ask himself why it is that every other black coal-fired power station in Australia is in excess of \$1 000 per kilowatt of generating capacity - \$1m per megawatt - cheaper. He says it is economies of scale but the Muja D power station has a capacity of only 400 MW. It was also built by Transfield Pty Ltd, the company the minister belittled at the time. There is not a lot of difference between Muja D and Collie in order of magnitude. In any event, the others were built on an incremental, modular basis and as a consequence there is no great economy of scale. They were built sequentially, one unit after the other, like Muja D.

An enormous amount of explaining needs to be done. When I raised this matter last week in the Estimates Committee - a time when I expected to be able to examine these matters given that the capital expenditure of the government trading enterprises appears in the budget - the minister chuckled a wobbly and refused to answer questions.

Mr Barnett: I always answer questions on GTEs. I answer questions on policy in my role. I do not answer questions on their contractual and internal matters.

Mr THOMAS: It appeared in the budget that this project would cost \$784m. That assertion appeared in the *Budget Statements* in an area for which the Minister for Energy is responsible. Correspondence I have received from Western Power suggests it will cost \$804m. It seemed that was a reasonable question to ask in the Estimates Committee and the minister agreed to find an answer for me.

Mr Barnett: It did not include the capitalised value of the operations and management contract. There is no discrepancy. That was not part of the contract or the full cost of the Collie project. It was effectively for the training of staff and there were associated works which Western Power did in its own right which were not even regarded as part of the contract. Yes, if you add up two columns of different items there is \$20m difference but there is no mystery \$20m discrepancy.

Mr THOMAS: It is interesting. What is \$20m when one has just blown \$300m? It is odd that the figures appear in Western Power's accounts for the project but the minister did not include them in the budget estimates where the Government is meant to be providing the people of Western Australia with an accurate account of the costs of the capital projects undertaken by the government trading enterprises, in this case Western Power.

Mr Barnett: The \$20m was not capital cost; it was the cost of training the personnel to both commission and operate the power station.

Mr THOMAS: I find it difficult to understand.

Mr Barnett: It is not capital.

Mr THOMAS: I find it difficult to understand why the minister would include that, for example, and not other costs incurred by Western Power.

Mr Barnett: I did not include it; the Treasury estimates correctly included the capital costs of the project including the interest component. In the letter from Western Power to you it listed all of the associated expenditure including the cost of training personnel and the like and some other incidental works that Western Power did.

Mr THOMAS: I accept the minister's explanation.

Mr Barnett: Hang on, you raised it and made a big song and dance about it so I will give you the answer.

Mr THOMAS: I am not making a big song and dance about it.

Mr Barnett: You just said it was \$20m wasted like \$300m; when it was not wasted, it was spent on training personnel.

Mr THOMAS: The minister should clean out his ears and listen. I did not say that it was \$20m wasted.

Mr Barnett: Yes, you did.

Mr THOMAS: No, I did not.

Mr Barnett: Blown away you said three minutes ago.

Mr THOMAS: No, I said what is \$20m between friends when one has just blown \$300m. It is not the \$20m the Government has blown; it is the \$300m it has blown because it did not engage in a proper decision making process in order to commission this power station so Western Australia could have a facility constructed at the same magnitude of cost as those provided to other people in Australia. Everybody in every other State in Australia except the Northern Territory -

Dr Turnbull: Tell us the exact basis on which you analysed that and how you produced it.

Mr THOMAS: I am more than happy and what I will do -

Dr Turnbull: Just state it now. What is the size of those power stations you are talking about, Callide B and the others?

Mr THOMAS: I am more than happy to provide that information to the member for Collie of all people because she should know how the Minister for Energy has done the people of Collie a gross disservice by pricing coal out of the market which is what he has done.

Dr Turnbull: I know that Stanwell is much larger than the new Collie power station. How many megawatts is Stanwell?

Mr THOMAS: I do not have the figures with me but I am more than happy to give the member for Collie my working sheets. I will even go one step further because I am not an engineer -

Mr Grill interjected.

Dr Turnbull: I said the megawatt generation.

Mr Grill: Stanwell was 1 600.

Dr Turnbull: Exactly, and what are we talking about here with Collie?

Mr Grill: Sorry, Stanwell was 1 400.

Mr THOMAS: It is the cost per kilowatt. I am more than happy to provide the basis of those calculations. It seems that my colleague, the member for Eyre, has the working sheets with him. I will ask the person who did this work and knows a lot more about it than I do whether he is prepared to talk to the member.

Dr Turnbull: I am just helping you in your performance to the House. These figures you used show how extremely simplistic your argument is. You have taken no account of size and scale in relation to the economies of scale.

Mr THOMAS: The member for Collie should have a good look at the graph that I have in my possession. She is the one who is being simplistic.

Dr Turnbull: That is simplistic.

Mr THOMAS: It is simplistic, but it depicts Collie. That is the one that we are concerned about. On the right of it is Muja. That is one of the lowest of the lot. It is of the same order of magnitude - it is 400 MW, whereas the new one is 300 MW. They are in the same league in terms of size, they burn the same coal and they employ the same sort of people, but, unfortunately, as the member for Collie is aware, nowhere near as many as at the new power station. She will be aware of that because many of her constituents work there. It managed to come in at a price which is less than half - that is, \$2 682 as opposed to \$1 139 per kW of generating capacity. I might be simplistic, that is for sure. The member for Collie can make that allegation or suggestion, but I suggest to her that it is a stunning difference. It is adjusted for inflation. It is the actual cost per kilowatt-generating capacity. The facts are overwhelming. As I said in a statement last week, the Minister for Energy took personal responsibility for commissioning the power station. He took it upon himself. He ordered the State Energy Commission board to negotiate with ABB-Itochu Consortium. He accepted personal responsibility. He told us himself that he took the matter to Cabinet and he accepted responsibility.

Mr Barnett: Yes, I did - absolutely no doubt about it.

Mr THOMAS: Great. It is not the SEC's decision, it is the decision of the Minister for Energy. He came into Parliament, beat his chest, trumpeted his virtues around the place and said, "This is my project; this is what I am doing." Does he want to stick the graph on the wall of his office to remind himself that he is responsible for building the most expensive power station in Australia in terms of dollars per kilowatt-generating capacity? If he were the chief executive officer of a private corporation and he had taken personal responsibility for such a decision, the shareholders would expect him to resign. If he were the manager of a company and he said, "I've just built this new project and it turns out that it is the most expensive in the market, not just by a few bob but by a factor of 2:1", he would be expected to resign, and that is what the minister should do.

The other matters that we wish to have referred to the Public Accounts and Expenditure Review Committee include the terms of the contract. I have taken the trouble to ask advice from Western Power and to obtain a briefing from Western Power on what has happened about cost. We all knew that the minister said that it cost \$575m. A couple of weeks later some journalists extracted from him the fact that once interest was included, it went up to \$760m, so it jumped a bit. It was a substantial increase which is quite explicable, although he had not mentioned it at the time. Of course, there has been a

further cost blowout since then which is included and revealed by the letter. The letter from Western Power mentions \$81.75m. I would like the minister to concentrate carefully because it is a most important matter. It has \$81.75m for "escalation and contract variations". Elsewhere in the text of the letter from Mr Eiszele it turns out that the contract variations which have been sought by Western Power are of the order of \$4m. It would appear to be the case that of that generic category, escalation and contract variations of \$81.75m, some \$77m is escalation. It seems to me that \$77m for escalation is worth inquiring into. When people sign contracts such as this, we can sometimes hold them to a fixed price, otherwise if there is to be an escalation clause, it is indexed to a factor. I have looked into that because, if my reading of the Western Power letter is correct, \$77m is 13 per cent of the nominal value of the contract. Between the period when the contract was signed and now, the amount of inflation was 6.5 per cent and the amount by which the -

Mr Barnett: What measure of inflation are you using?

Mr THOMAS: A simple one - the consumer price index.

Mr Barnett: Are any consumer goods used in a power station?

Mr THOMAS: I am interested that the minister raises that matter, because I took -

Mr Barnett: I suppose food for lunches might be one.

Mr THOMAS: That is right. There are all sorts of things. Things tend to move in parallel. I am moving only that the matter should be referred to the Public Accounts and Expenditure Review Committee. It can look at it and see what the index was. Was it a prudent index? Did the minister authorise or order the State Energy Commission to enter into a prudent contract? The minister is an economist; he knows about these things. Lesser mortals do not have access to the fine knowledge that the minister has, because he is an economist, as he likes to tell us so often. However, in the Parliamentary Library there are indices for all sorts of things; for example, there are indices for the building industry, so I checked them out as well. They moved at less than the rate of inflation and less than the CPI.

Mr Barnett: I did not say that inflation was rising.

Mr THOMAS: I know the minister did not.

Mr Barnett: What upsets you -

Mr THOMAS: Nothing upsets me - or nothing that the minister says upsets me, I can assure him of that.

Mr Barnett: You don't seem quite stable, but what seems to be distracting you is that you cannot escape the fact that David Eiszele, the managing director of Western Power, stated in his letter that -

Despite the fire in June 1998, the volatility in foreign exchange and a number of design changes, the Collie Power Station project is expected to be completed under budget.

Mr THOMAS: That is right.

Mr Barnett: That is right, and it is - on time and under budget.

Mr THOMAS: It is a trick with mirrors. I remind the minister, in case he has forgotten, that one can set an absurdly large budget which will deliver the most expensive power station in Australia and when it comes in at \$10m less than it otherwise would be - that is, \$804m instead of \$814m - one can say, "Aren't we good? We came in under budget."

Mr Barnett: Again, I repeat for you -

Mr THOMAS: Go for gold!

Mr Barnett: ABB-Itochu Consortium had responsibility for building the project and Western Power had responsibility for financing the project. ABB-Itochu did not have responsibility for recruiting and training personnel.

Mr THOMAS: The point being?

Mr Barnett: The point being that it was not part of the contract, but obviously when we have a power station we must have someone to run it QED.

Mr THOMAS: We have passed that.

Mr Barnett: No, you went back to it. You are so tedious that every time you are tedious I will match your tedium.

Mr THOMAS: The minister is not listening. As I have said, he should clean out his ears and listen. What I was saying is that there has been an escalation -

The DEPUTY SPEAKER: Order! Members should direct their comments to the Chair.

Mr THOMAS: Of course, Mr Deputy Speaker. I am sorry. In the documentation from Western Power there is a blowout in the cost of the contract - unassociated with the \$20m that we were talking about earlier; in addition and separate to that - of \$77m, some 13 per cent of the contract. I do not know what indices are nominated in the contract. I do not know whether it is "think of a number between one and 10 because Colin is a generous fellow". I do not know whether it is one of the Australian Bureau of Statistics indices. However, I thought that the CPI was not a bad guide or a bad place to start. The figure turns out to be twice the CPI - \$77m. I then thought that there might be something else, so I looked at the building

industry indices. They came in at less than inflation during that period. There might have been another index. That was the building industry - it is not the engineering industry or the building of an engineering plant, but I thought that it was probably closer to the cost of building a power station than the simple CPI would be. However, nothing that I could see in the various indices in the Australian Bureau of Statistics section in the library upstairs - the minister can look for himself if he wants to check them - indicates that it is anything like that.

I am interested to know what the minister's response to this motion will be. I have been critical of the minister's decisions, and my criticisms have been vindicated in a most dramatic fashion by the passage of time. I cannot think of anything more dramatic than bringing in a project that is by far and away the most expensive in Australia by a factor of 2:1. However, the motion does not actually express grave condemnation. It expresses concern, and it is appropriate that the House should be concerned at a time when we have the most expensive power prices in Australia. The Government has just built the most expensive power station in Australia and those costs will overhang prices for many years to come. However, the motion just expresses concern and it asks that the matter be referred to the Public Accounts and Expenditure Review Committee.

I want the minister to explain to the House - it does not seem that he is likely to do that - where that \$77m went. Under what circumstances did Western Power Corporation agree? If the minister is relying on Mr Eiszele's letter, it does not deal with that matter, and when I asked the minister questions about this issue during the Estimates Committee hearings last week, he was evasive and would not address the subject matter. I do not think he understood the point I was trying to make. Although Mr Eiszele's letter says that the project is coming in under budget, the fact is that it is a very generous budget. It is a budget that starts off at \$575m, with a pretty high nominal contract price. Following that, it has what would appear to be a very generous escalation clause. When those two factors are combined and the cost of interest during construction is taken into account, a total of \$804.8m has been spent on this project.

I will leave it at that because my colleagues wish to speak on this matter. Within weeks of my becoming the opposition spokesman on Energy, this project was commissioned. I remember one of the first debates in my capacity as Energy spokesman was on this project. The Opposition said at that time, and on a number of occasions since, that it was wrong, improper and imprudent for this contract to be entered into without going to tender. We have been vindicated by the fact that this project has come in as the most expensive black coal-fired power station in Australia in respect of generating capacity. It is not just the most expensive by a small margin; it is the most expensive by a factor of 2:1, and that is the case not only when compared with projects in other States, but also when compared with a project which is only a couple of miles away, and a substantial part of that project which is only a couple of miles away was built by a company which was competing at the time to build this power station. That respected engineering company in this country went around this town and said that it could build this power station for \$60m less.

These things have been said not just by that company which could be said to have an economic interest or by someone such as me who could be said to have a political interest; but also people such as Harold Clough, a very eminent person in the business community in this State who is experienced in the engineering industry, have said that the minister was wrong and it was improper to enter into the project without going to tender. Allan Peachment, a respected academic in public administration fields, also said it was wrong. At the time, the minister seemed to be the only one who was in step. However, it seems that the chickens have come home to roost. It has been proved that the minister was wrong, and we are now saddled with the most expensive power station in Australia.

**MR BARNETT** (Cottesloe - Minister for Energy) [4.54 pm]: There are a number of aspects to this motion relating to power costs in Western Australia. There is only one way a particular power cost can get to its current level, and that is by successive increases. Therefore, I will start by tracing very briefly the history of power cost rises in this State. Then I will take some time to go through the history of the Collie power station. Finally I will deal with some of the costs of power generation and with the member's somewhat unusual analysis.

I deal first with the history of power generation. I could use either business or domestic tariffs. However, I will use domestic tariffs which I will read into *Hansard*. For the financial year 1983-84, the increase in the domestic tariff under the Labor Government was 15.1 per cent; in 1984-85, there was a 3.8 per cent increase; in 1985-86, there was a 3.8 per cent increase; in 1987, there was a 12 per cent increase; in 1988, there was a 5.8 per cent increase; in 1989, an election year, it was zero; in 1990, the Labor Party was back into its swing with a 7 per cent increase in electricity prices; in 1991, there was a 7.9 per cent increase; and in 1992, there was a 2 per cent increase. We then headed into an election year and, thank goodness, the coalition was elected. In 1993, the figure was zero; in 1994, zero; in 1995, zero; in 1996, zero; in 1997, zero; in 1998, the only year we have increased electricity prices, there was a 3.75 per cent increase; in 1998-99, zero; and in 1999-2000, zero.

Therefore, if electricity prices in this State are high it is because the Labor Government increased them year in, year out. Since this Government's election, it has increased electricity prices to consumers by only 3.75 per cent in one year out of six years, and the real cost of electricity, after inflation, has fallen by 15 to 20 per cent. Mr Deputy Speaker, you are a business person, and if you look at the tariffs for business, you will find that during the years of the coalition Government, for example, small commercial tariffs decreased 8 per cent and 9 per cent in nominal terms, let alone in real terms. Therefore, the record on tariffs for consumers, and particularly for business, is black and white. The Labor Party increased tariffs repeatedly by huge amounts of 12 and 15 per cent. We have increased them by zero throughout.

Mr Thomas: Do you know what was the cumulative effect of those increases during the period of the Labor Government?

Mr BARNETT: I cannot do the mathematics off the top of my head.

Mr Thomas: I have done them. Do you want me to tell you?

Mr BARNETT: I would say that the cumulative effect of those price increases would be in the order of 50 or 60 per cent.

Mr Thomas: No, it is more than that. It was 76 per cent. Do you know the level of inflation during that period? It was 75 per cent.

Mr BARNETT: Was it? That is fantastic. However, what has been the level of inflation since 1990? It has been 20 per cent or so. What has the increase been? It has been 3 per cent. When talking about a record increase in power charges, there is no comparison; year in, year out the Labor Government increased power costs.

Mr Thomas interjected.

Mr BARNETT: Yes, because of the Labor Government's increases. In not one year have we put up the tariff for business; we have actually reduced it. The Labor Government increased it every year bar one, which was the election year.

I will now go on to the substance of the debate. We have heard how I behaved with impropriety and how I made this dreadful decision to go ahead with the Collie power station. At least I made a decision. I will take some time to remind members of this House of some of the history of the Collie power station.

Mr Kobelke: It does not matter if it was a bad decision, you are proud of it.

Mr BARNETT: Let us go through the history. In March 1989, the then State Energy Commission, under the Labor Party, called for worldwide expressions of interest for a 600 megawatt coal-fired power station at Collie. In September 1989, 44 expressions of interest had been assessed. There was then a change of tack, and in November 1989 the Harman committee was appointed to look into power options. That started the debate of coal versus gas. In 1990 the Harman committee recommended the use of gas. That did not quite suit the plan. Therefore, in September 1990 the bidders were short listed to two; that is, the Mitsubishi-Transfield joint venture and Asea Brown Boveri Pty Limited. In December 1990 the Labor Government announced a package of measures to reduce real costs, including concessions on coal tonnages and prices from the coal companies. I think it was at about that time that 2 000 coal workers marched up to Parliament House. In February 1991, ABB and Mitsubishi-Transfield submitted revised bids for the project to the State Energy Commission of Western Australia. In March 1991, Mitsubishi-Transfield was selected by SECWA as the sole bidder for the private power station at Collie, with construction to begin in 1992-93. The first unit was to start operating in November 1996.

In May 1991, the Labor Government endorsed SECWA's recommendation for a privately built, owned and operated coal-fired power station. We then go to June-September 1991, when negotiations continue with Mitsubishi-Transfield and SECWA about the commercial terms for the project. It was not possible to reach agreement by the target dates. Indeed, by that stage the full cost of the 600 MW power station was in excess of \$2b.

Mr Thomas: We did not sign the agreement.

Mr BARNETT: I am glad!

Mr Thomas: We did not sign it, but they saw you coming and you signed it!

Mr BARNETT: I am talking about cost. The cost at that stage was \$2.2b. This is critical stage. The Minister for Fuel and Energy at the time, Dr Gallop, who is now the esteemed Leader of the Opposition, said in *Hansard* of 19 September 1991 -

The Mitsubishi Transfield consortium is negotiating with a Westpac-led international banking syndicate to obtain finance to build, own and operate the planned coal fired power station in the Collie area . . . The bankers are seeking a Government guarantee for what will plainly be a privately owned and operated power station.

The guarantee sought by Westpac is a performance guarantee of a State statutory authority . . .

A key factor -

That sounds like Gallop! He continues -

- in the acceptance of the consortium's bid was that a Government guarantee would not be required.

The consortium was seeking a guarantee, but the Government said that would not be part of the deal. We do not know whether there was a guarantee at that time. The situation became a bit clearer on 30 September 1991. An article in *The West Australian* of 1 October 1991 under the heading, "State bid to save shaky power deal", states -

The State Government will give a legislative guarantee to the private-sector developers of the new coal-fired power station at Collie.

Premier Carmen Lawrence revealed yesterday the Government would legislate to ensure the State honoured SECWA's contract to buy power from the Mitsubishi Transfield power station.

The cost is over \$2b, the then Government talks about guarantees, and the Premier of the day says the Government will legislate for a guarantee, yet the member for Cockburn talks about fiscal responsibility! What a disgrace! The events continue. By October 1991, four extensions of time had been given to Mitsubishi-Transfield, the then Government had denied that there would be a guarantee, and it then made a statement two weeks later that it would give a legislative guarantee. That is the state of absolute confusion that the Labor Government was in.

We then go to *The West Australian* of 11 April 1992, when the Labor Party was drawing towards making a decision, which states -

The State Government is poised to reopen competition to build, own and operate the State's new base-load power station at Collie.

Fuel and Energy Minister Geoff Gallop said yesterday that a decision would be made within two weeks about the ability of the chosen developers, the Mitsubishi Transfield consortium, to deliver on the commitment it made when it won the tender for the project last year.

Dr Gallop went on to state at the time that, "We are in a decision zone." He was in a decision zone in 1992. As Dr Gallop continued in his decision zone, events marched on. He did not march on, but events did!

I go back. In May 1991, we had all these delays. In October 1991, the Mitsubishi-Transfield joint venture's sole bidder status is confirmed by the Labor Government and Dr Gallop, as is a new agreed timetable. We then drift from November 1991 to March 1992. Negotiations continue. Mitsubishi Transfield advises SECWA of a delay to the timetable and cost increases. In February 1992, the Energy Board of Review reports, so all these other things are going on. In April 1992, Mitsubishi Transfield's sole bidder status is withdrawn by SECWA, and Asea Brown Boveri is asked to submit a revised bid. In June 1992, ABB is awarded sole bidder status by SECWA. A project start-up date is given. In September 1992, ABB formally submits to SECWA a revised proposal that confirms major cost increases and is subject to further conditions. In October 1992, SECWA advises ABB of its intention to withdraw sole bidder status. Talks continue. In November 1992, SECWA withdraws the notice of withdrawal, and the ABB deadlines are extended by the Government. Cabinet notes SECWA's intention.

Things start to get better. In January 1993, the coalition releases its energy policy. Things then begin to really go well. In February 1993, after nearly four years of ineptitude and indecision, the best thing that has happened for Collie is the election of a coalition Government, and things really change from then on! From March 1989, we have an on-off project, the cost is up to \$2.2b, and there are time extensions and cost increases. However, in February 1993 the coalition Government comes in, and the chronology then finishes, because in August 1993 a decision is made to build the station. That station will be opened this Friday, and I will enjoy that event, as will the member for Collie and the coalition. I will remind people, if the Opposition wants me to, of the Opposition's four years of ineptitude, indecision and inability to handle the project. Stunning incompetence! The member for Cockburn talked about decisions. The Labor Government failed for over four years to make a decision. Nothing is worse than a Government that cannot make a decision. The Labor Government could not stick to the objective. It went out to get this power station built, it then wanted to renegotiate coal contracts, it then wanted to debate gas versus coal, and it then wanted a wide public debate on energy policy. It could not keep to the game. It is little wonder it could not make a decision. The Labor Government's inconsistency was amazing during that period! It extended the time lines. At one stage, there had been four extension of time. The Labor Government then gave a mandate and withdrew the mandate, and it then withdrew the withdrawal of the mandate! It was stunning! The banks wanted a guarantee, and the Labor Government said there would be no guarantee. Two weeks later, the Premier of the day, Carmen Lawrence, said there would be a guarantee, but it would be called a legislative guarantee, whatever that might be! It was stunning ineptitude! It went on and on! It was without doubt the most inept performance on a commercial matter by a Government, surprisingly with a well-equipped, well-informed utility. While that was going on, Carmen Lawrence was running around trying to distract people's attention by bagging the North West Shelf contracts and the project. All sorts of inquiries were taking place. The Labor Government did everything it could to distract attention from its absolutely stunning ineptitude! That was the history leading up to that point. However, I will go on.

Mr Grill: More fairytales!

Mr BARNETT: Fairytales? Unbelievable! Here was this ineptitude, and who are the two people who will speak on this motion but the member for Cockburn and the member for Eyre! How distinguished were they during this period? Just read volumes 2 and 3 of the Royal Commission into Commercial Activities of Government and Other Matters, and read about their personal role during this process. If members opposite want to talk about propriety, honesty and integrity in government -

Mr Thomas: Look at the graph!

Mr BARNETT: I will get to the graph in a moment! I will tear it off the back of the toilet door and get to it!

Mr MacLean: Why doesn't the former Minister for Fuel and Energy speak on this matter?

Dr Turnbull: That is what we would really like to know!

Mr BARNETT: He is out in the decision zone! The member for Cockburn has produced his "analysis". I realise that Oppositions do not have the resources of Governments and must do things themselves. However, the member did not quote the source of the information, did not explain how averages were calculated for New South Wales, Victoria and Queensland, did not state the time in which the comparisons were made, and so the list continues.

Mr Thomas: What do you want to know? I can answer most of those questions.

Mr BARNETT: No. It goes on and on. The member has not allowed for differences in generating size, funding variations and so on. The comparison prepared by Western Power, having looked at the member's chart -

Mr Thomas: Which figures did they use - these or the state figures?

Mr BARNETT: It did not worry about the member for Cockburn's figures, as it referred to the source data. Western Power compared the cost of generation at the coal-fired power stations. The cost per kilowatt of generating capacity in 1990 dollars

at the Collie power station is \$2 067 per kilowatt capacity; Muja D, is \$1 554 per kilowatt capacity; and Muja C, \$2 988 per kilowatt capacity. Therefore, Collie power station is not a cheap power station per capacity, but it is not the most expensive in Australia. Muja C is far more expensive. On a generating capacity, the cost of power produced at the new Collie power station is approximately 30 per cent below the cost of power generation from Muja. It is the lowest cost generator in the system.

Mr Thomas: Do you refer to Muja C or D?

Mr BARNETT: I refer to Muja combined. The new 300 MW Collie power station is the cheapest in the system. Western Power has outlined that it is 30 per cent cheaper than the others. Also, it was built to allow for a second stage with the associated infrastructure -

Mr Grill: When was Muja C built?

Mr BARNETT: I will continue my story. I will get the information for the member later, but it was built a long time ago.

Mr Grill: Cost Collie with the recently completely power stations!

Mr BARNETT: I am about to do that - calm down. Let us look at more recently constructed power stations. The member referred to stations like Stanwell and Tarong, which are 1 400 MW power stations, and Collie is 300 MW. An economy of scale is involved which the member's figures did not take into account. Let us look at comparisons. I refer to Millmerran in Queensland. After allowing for the size variation, and the best the Office of Energy could do in correcting figures for size, the cost per kilowatt of generating capacity is \$2 150 based on estimated capital cost.

Mr Grill: What was the total capital?

Mr BARNETT: I do not have the figure in front of me.

Mr Grill: You do not know!

Mr BARNETT: Grow up!

The equivalent figure for Stanwell in Queensland is \$2 400; Tarong in Queensland, \$2 400; Callide B in Queensland, \$2 200; and Collie, \$2 682. It is more expensive by about \$200, not two or three times more expensive as the member claimed.

Mr Thomas: I stand by my figures.

Mr BARNETT: The member may do so, but he will stand alone.

The Collie power station is slightly more expensive. However, if a second unit is located at Collie, it will be 20 per cent cheaper and the overall cost will come down to the ballpark figure of the recently built coal-fired power stations. The member's figures do not stand up.

Mr Thomas: Even at 20 per cent cheaper, it will still be the most expensive in Australia.

Mr BARNETT: It will not.

Mr Thomas: I stand by them.

Mr BARNETT: The member for Cockburn will stand by them alone.

I return to the original decision. Do members recall how from March 1989 through to early 1993 the incompetent Labor Government could not make a decision? We came to government and made a decision. When we came to office, Asea Brown Boveri Pty Ltd had a mandate awarded by the previous Government.

Mr Thomas: You said you were under no obligation to them.

Mr BARNETT: Legally, perhaps not; however, undoubtedly, a court case would have been protracted. Unlike members of the previous Government, I have some sense of propriety. With a background in the Chamber of Commerce and Industry I have a sense of how one should conduct oneself in these matters. ABB in good faith had a mandate. The Government was not about to abandon that mandate on principle, whether it had the legal right to do so or not. I made it clear to ABB at the time that in my view a 600 MW power station was not viable. People were still talking about a privately owned and operated power station with an all-up cost of \$2b. That was the main reason, among many others, for it not being viable.

I said to ABB that it had a mandate which the Government would treat with good faith. The Government said that it would see if it could make the project work, but there were no guarantees. Only twice in my ministerial career have I employed a consultant. I employed Barry Flanagan, who had recently retired as the head of Pacific Power, which is the expert company in coal-fired power stations. He worked for three months in my office using his knowledge to untangle the technical and financial information.

Mr Thomas: One of the consultants employed was from Queensland. You said so at the time.

Mr BARNETT: No. Western Power must have employed that person. We made a decision to proceed with the 300 MW power station, to be owned by the then State Energy Commission. I was disappointed that private industry was unable to finance the project. It was to be constructed by ABB on a turnkey contract, and was to be managed by a private sector operator. That eventuated. The project was to be completed in the last quarter of 1999. Even with the fire, that took place. The project is now commissioned and operating and will be formally opened this Friday.



This project has had a dreadful and long history. This history turned positively when the coalition came to power. The Labor Party could not make a decision for four years. The coalition approached the project on commercial grounds as business people acting to protect the interests of the State. After four years of indecision, the coalition Government made a decision within six months. I will tell members why we made that decision, having undertaken a careful and commercial process of scrutiny.

Mr Kobelke: Come off it! You did not even call for expressions of interest.

Mr BARNETT: The member's humour assists my argument as it demonstrates to anyone silly enough to listen to this debate how incompetent and unknowing of commercial matters are opposition members.

A factor which guided the decision was that the State would have had a 40 per cent excess capacity in power generation if it had gone ahead with the 600 MW power station. In that environment, no renegotiation of the North West Shelf project, no split of SECWA and no competition in gas and electricity would have been possible. We would still be labouring under a project costing in excess of \$2b, which was either publicly or privately funded, with a 40 per cent excess power capacity in our system. The Government not only reduced the project from 600 to 300 MW, but it also extended the time frame to better manage its introduction. This allowed breathing space for the renegotiation of the North West Shelf contracts which has resulted in gas energy prices in the Pilbara falling by 50 per cent and by 30 per cent in the south west.

As the 300 MW Collie coal-fired power station was built, this State has seen 1 100 MW of gas power generation installed. Only Western Australia has 50 per cent of its total generation based on gas. We worry about greenhouse emissions, but Western Australia is way out in front because of the way the coalition handled this project and the construction costs. The Labor Party is still talking about two 300 megawatt units. The member for Eyre still talks about a tiny, baby power station. The Labor Party wanted to commit this State to a project for which the cost of construction was estimated at \$1 812m plus financing costs. That would have taken the cost to \$2.2b, and members opposite dare to come in here and say that we do not know how to manage the project.

The Labor Premier at the time was talking about parliamentary guarantees for a project costing in excess of \$2b. Members opposite are an absolute disgrace. It is lucky for this State that members opposite lost only \$1.5b on WA Inc, because they came within a whisker of blowing a billion dollars on this project and hurtling this State into unmanageable debt and excess capacity in generation. That is what the member for Cockburn and the rotten Labor Government nearly did to this State. They did so much damage as a result of WA Inc, and nearly buried us for good on this project, and they dare to criticise this Government. Members opposite are a disgrace. It is little wonder the royal commission named the member for Cockburn and his mate the member for Eyre.

Mr Thomas interjected

Mr BARNETT: Madam Speaker, are you going to put up with that?

The ACTING SPEAKER (Mrs Hodson-Thomas): Order!

Mr BARNETT: If this dill is going to hold up his chart like a kid in a grandstand, then send him to the grandstand.

*Withdrawal of Remark*

Mr KOBELKE: The truth is hurting the minister. However, that does not give the minister the right to refer to the member as a dill. He may be reflecting on his own behaviour, but it is unparliamentary and the minister should be asked to withdraw.

Mr BARNETT: I withdraw, Madam Acting Speaker.

*Debate Resumed*

Mr BARNETT: I went through the records on how the Labor Party increased electricity prices, and how the increase has been zero in every year except one under the coalition Government. Tariffs are the key in the construction of a major power station of 300 MW or 600 MW; the cost of generating electricity is important. We asked questions in opposition about the tariff. The answer we got from the then Government was that the tariff for electricity from the Collie power station would be 4.9¢ per kilowatt hour over 30 years. This is in the production costs. A little bit more inquiry showed that the actual tariff was 8¢ a unit. However, the deal was that the price would drop in 2013. The former Labor Government intended to lock us into tariffs of around 8¢ a unit. They told the public it was less than 5¢ kW over 30 years. The reality was 8¢. I do not know about anyone opposite, but I will not be here in 13 years. If anyone opposite hangs around until 2013, they would get the benefit when the price dropped. This was the brilliant financial management of the Labor Party! This was the low electricity cost for the State! The Labor Party intended to pay \$1 812m to construct the power station and finance costs would take it to \$2.2b. That would produce electricity at 8¢ a unit compared with existing stations, but at that stage the public would have to wait at least 15 years to see the benefit. Clearly they thought they were going out of Government, presumably, for at least 15 years.

The Labor Government was going to offer state support and then it was not. It was appalling. They were the issues we had to deal with: A saga that had gone on from 1989, indecision, horrendous costs both in construction and finance, and most importantly the tariff. We had to confront a situation in which there would be 40 per cent excess capacity. We also had to face the situation in which the reputation of this State was being torn apart. It was torn apart by the WA Inc period and by the lack of commercial behaviour by the Labor Party on this project.

The coalition made the decision and built the power station. I will be proud to open it on Friday. The member for Collie will be happy and this State will benefit. That power station is the lowest cost producer. It is 30 per cent cheaper than other

plants based on Collie coal. If the second unit is built in the future, and it probably will be, it will be at least 20 per cent cheaper than this. That will come down to a per kilowatt hour capacity of \$2 000 or thereabouts. That is right in the ballpark with far larger power stations built around Australia. The project is on time despite the fire. It is under budget by Western Power.

Mr Thomas: It is a gross budget.

Mr BARNETT: The member for Cockburn hates it. If I were as incompetent as the member for Cockburn, if I were part of such an inept performance and could not make a decision and could not get the project up, I would hate myself. The project is in place and producing; it is the lowest cost producer. Western Power's debt has gone down. Western Power is heading into an area of high profitability. This power station will be one of the keys to rapid increases in Western Power's profitability. Therefore, in our next term of government we will continue to deliver lower energy prices for everybody.

What would have happened with a \$2b bill and 40 per cent excess capacity under those drips? The State would have been bankrupt. We got the former Labor Government out of WA Inc which was hard enough, but I do not know that even we could have got it out of this one had it been allowed to sign the deal.

Mr Thomas: We did not sign because it was too expensive but you signed the most expensive contract in Australia's history.

Mr BARNETT: The member for Cockburn comes in here and criticises the Government. The Collie power station, important as it was, was never seen in isolation by the coalition Government. We needed power generation to solve a situation in which there had been rapidly rising demand for power. We also had to realise the opportunities for this State. A number of things occurred. We downsized and delayed the project, but we did it. That was the difference between the former Labor Government and the coalition Government. At the same time, that allowed the North West Shelf gas contracts to be renegotiated, which saw gas prices fall by 50 per cent in the Pilbara and 30 per cent in the south west; the goldfields gas pipeline to be built; the extension to Busselton with the Westralian Sands Ltd project; the current construction of the 500 kilometre pipeline through the mid west area; a progressive deregulation of the gas industry whereby, as of 1 January next year, any customer consuming 100 terajoules or more of gas is in an open market. By July 2002 the gas industry will be totally deregulated. We will be able to buy gas in our homesteads from AlintaGas or anyone else who chooses to supply it. That is full and absolute deregulation. Similarly, with electricity, deregulation comes down to 1 megawatt on 1 January 2000. Any customer over 1 megawatt can go into a contestable market. That is at least 30 per cent of Western Power's sales. It goes on and on. We have lifted restrictions. Since 1995 the State has added 300 MW of additional coal power generation and 1 100 MW of additional gas power generation in this State. While the Labor Government was floundering around, the coalition made the decision about this power station, and with private sector and public investment 1 100 MW of gas power generation took place in this State. That has been a key factor in what has been a remarkable period of prosperity for this State during the 1990s, even with the Asian economic problems.

We can think we are lucky in life. We might feel we have found a pot of gold at the end of the rainbow; might kick a goal off a left foot from the wrong pocket or be lucky enough for the Labor Party to bring on the Collie power station for debate. I have had that today. I thank the Labor Party for bringing it on for debate. It can bring it on any time it likes. The Deputy Premier, the member for Collie and I love debating the Collie power station. I am still not sure what the member for Cockburn wants me to say.

Mr Grill: Are you supporting the motion?

Mr BARNETT: The Labor Party has not made clear what its position will be on Friday when the power station is opened. As I take it, and I am willing to be corrected, the Labor Party has come into Parliament this week and has criticised the project, the cost, the size of the project, and by implication the community of Collie which they know fought hard for this project. I well remember going down to a large gathering on the Collie football oval and addressing, along with the member for Collie and the then Minister for Energy, Dr Geoff Gallop, the coal industry and power industry workers in Collie. If my memory serves me right, they booed the Labor Party, and they were certainly justified in that. Many of those traditional Labor Party supporters applauded and voted for the coalition. I was there and they clapped me. I will go there this Friday and I will tell them that despite four years of indecision from 1989 to 1993, and another six years on, the losers of the Labor Party still came into Parliament to use private members' time to criticise the decision of this Government to build the Collie power station. I will enjoy making that speech and I will tell them exactly what the Opposition said about Collie in this debate. They want and deserve to hear it; the Opposition is a disgrace.

**MR GRAHAM** (Pilbara) [5.30 pm]: I move -

That the debate be adjourned.

Question put and negatived.

**MR GRILL** (Eyre) [5.30 pm]: The minister did not say it, but I presume he is not supporting this motion. Have we understood his position? He did not seem to have the ability to say that he was not supporting the motion and I wonder why, because the motion asks only for an inquiry into the events which he has just disputed. When this minister decided not to go ahead -

Dr Turnbull: How far back do you want to go? Do you want to go back to 1984 when Bob Hawke took the telegram out off his pocket -

Mr GRILL: I do not know how far back I want to go, but I would at least like to get started if I may.

When the minister decided that he would not go ahead and put this contract for the Collie coal-fired power station out to tender, which was an extraordinary act in our view, we told him that the matter would come back to haunt him. The matter is coming back and it will haunt him. Whether it is today or another day, this matter will be investigated. It will go to an inquiry and the facts will come out. We can forget the amateur histrionics that were just displayed by a rather petulant minister, and deal with the facts. The facts are that, at a certain time, a Government signed a contract for a coal-fired power station in Western Australia, the costs of which are about 2.5 times the capital cost of any other power station of its sort anywhere else in Australia.

Mr Barnett interjected.

Mr GRILL: If these figures are disputed, why do we not have an inquiry? Why is this Government not prepared to look at the facts in the proper forum, with the proper witnesses, under the proper circumstances, and not here with the amateur histrionics of a minister who is feeling a bit rattled and shaky, and who unfortunately resorts to personal abuse whenever he gets into a difficult situation. We will hear about the royal commission again in a minute, I have no doubt about that, because whenever the minister becomes a bit shaky, out comes the reference to the royal commission.

Mr Barnett: We like to refresh your memory.

Mr GRILL: I always know when the minister is becoming a bit rattled because the references to the royal commission emerge. This minister has disputed figures put forward by the member for Cockburn. He did not dispute those figures very competently because he could not give us any of the capital costs. We are talking about the capital costs of power stations and this minister, after having being briefed by Western Power no doubt, did not have the capital cost of one power station. Either he is incompetent - we have some views about his incompetency - or he was not properly briefed. I will refer to a few figures.

Mr Barnett: What I gave you were the costs per kilowatt. Even if the member understands basic arithmetic, he would know that the capital cost of the project divided by the capacity gives the cost per kilowatt. I did not have the raw data. I gave the member the final derivative calculated figure. I will happily provide the member with the basic information, which is the size of each of those stations and the capital cost. If the member divides one by another, he will get the numbers that I gave him.

Mr GRILL: If only it was as simple as that! The truth is that this minister came into this place when he knew we would talk about the capital cost of power stations and he is not equipped with one figure to support his comments. I will give the minister some facts about capital cost: Collie, 1999, 300 MW, total capital cost \$804.5m; Muja D, 1984, 400 MW, original capital cost \$280m, corrected for 1999 figures, \$455.5m.

Mr Barnett: Including interest?

Mr GRILL: Yes, including interest.

Mr Barnett: No, you are wrong.

Mr GRILL: We can now refer to Callide B and the press statement by the Minister for Energy in that State; a power station which will be completed in the year 2001, 840 MW, capital cost \$800m. Think about that; it is over twice the size of the one that we will have. Stanwell, 1997 completed, 1 400 MW, original capital cost \$1 650m, final capital cost \$1 671m. I could go through all of those figures, but at the end of the day these figures indicate that when one looks at the capital cost of any newly or recently constructed power station in Australia, the capital cost is somewhere between \$1m and \$1.25m per MW. We have a power station in this instance that reaches about \$2.68m per MW. The member for Cockburn is absolutely correct: There is nothing like it anywhere in Australia's recent history. I have not gone back to the figures for Muja C. However, in recent history, this is by far the most expensive power station. The minister excuses that on the basis that it is a small power station and that costs associated with small power stations are higher. Let me make it painfully clear to this minister that he was the person that made that decision, apparently not on the advice of Western Power, or SECWA as it was then, but on his own advice. I believe that the decision not to allow this contract to go out to tender was incompetent at best, and scandalous at worst. I would probably err on the side of saying it was incompetent, but others would probably agree that it was scandalous in all of the circumstances.

Let us look at the consistency of this minister for power policies. Let us look at what he said in recent times in relation to power policy in his own official energy papers that come from the Office of Energy. Let us look at the Office of Energy's paper entitled "Energy Western Australia" published in April 1998. He stated at the beginning of the booklet that in order to compete in both domestic and international markets for future resource development projects, it is imperative that Western Australia's energy sector develop and maintain a competitive edge; and that the Government is committed to a process of energy reform aimed at encouraging competition, promoting investment opportunities and delivering low cost energy. That is what the minister said in his own official publication in April last year, just over a year ago. Compare that with what he had to say in the estimates committee debate last week when he said that he addressed the Australian Competition and Consumer Commission and all the fellow regulators the other day and told them that their job in life should be dull, colourless and boring. He said that most of them agreed that that is what they should be doing; that is, they should not be proactive in policy. He also made it clear that in this State the Government's number one economic objective is development, and competition comes well behind that; that the problem elsewhere in Australia is that people have elevated competition policy ahead of imperatives like economic development - even issues of equity.

Here we are in April 1998 and the minister is saying in his own document that economic development in Western Australia has one precondition and that precondition is competitive energy prices. Then the same minister this year said that

competition and a competitive structure is only a secondary factor. Why is that the case? Why should we have two conflicting statements from the minister within a period of barely a year. Why has the minister changed his tune? I believe the minister has changed his tune for the very reasons put forward by the member for Cockburn. He is now aware that after six years in government and six years as Minister for Energy he has failed in the most comprehensive fashion to bring down the differential in power costs between the eastern States and Western Australia. That differential widens every year under his administration. That is why he now talks about development and not about the precondition for development that he enumerated last year; that is a competitive power structure.

As I said, there is no doubt that the differential is blowing out between power prices in the eastern States and Western Australia to which the Opposition referred last year and the year before. To give the minister his due, he does not dispute that fact. The minister tries to obfuscate the argument to make the argument different; whereas before this Government came into power all it wanted to talk about was power prices, power costs and supply. It does not now want to talk about a competitive power structure, which is only a secondary consideration; it now wants to talk about development. On that score also the record does not look very good. The minister's own publication, the *Prospect* document published periodically by the Department of Resources Development - I made the point last week and once again the minister did not dispute these facts - indicates there are eight committed projects for this year as at 26 February 1999. In April 1998, when the minister was making his statement about competitive power policy, there were 22 on the list; the year before that, there were 23; this year there are eight. If one examines those eight projects one finds almost without exception that they have been completed. Therefore, the number of projects under this policy has reduced from 23 to 22 and now to eight, and those eight are virtually completed.

There is, as always in the *Prospect* document, a list of projects under consideration. The Australian Labor Party hopes that every one of those projects gets off the ground. If they do, there will never be any criticism of any development project in Western Australia from this side of the House because we want to see them all get up. However, we are in close contact with the companies that are proposing those projects and almost without exception they have slipped. Therefore, when this minister talks about taking the focus from competitive energy policy, making it a secondary consideration and putting the focus on actually getting projects going, the record does not look very good. Somewhere along the line someone is standing on the hose.

Frankly, the minister was absolutely right in 1998. It is a precondition of competitive energy policy and competitive energy structure and development that we have such a structure and that competition is a very important part of it. I do not know how that notion can be abandoned; however, it was not abandoned just by the minister in this House last week. If one looks at all of the trade, electricity and resource journals in which he has made these kinds of statements in the past month or two one finds this switch in focus. It would seem that we are no longer concerned about the cost of power in this State or at least it is very much a secondary consideration. That is extraordinary and it underlines the kind of performance we have seen here today; that is, the minister stood up and did not defend his own project in any real way - a contract which he signed. Instead he endeavoured simply to knock a project which never got off the ground because a contract was never signed.

The minister may have his own version of the history of events that surrounded the proposals in relation to Asea Brown Boveri Pty Ltd and Transfield going ahead with a 600 megawatt power station. Those versions will always be in dispute because that project never proceeded and the contract was never signed. However, someone has the facts for the minister's own project and those facts need to be made public so the Government is accountable.

Mr Barnett: What facts do you think you are going to discover? There is no mystery to our decision and that of the board of Western Power to go ahead with this project.

Mr Thomas: Will you show us a copy of the contract?

Mr Barnett: I have never seen the contract myself.

Mr GRILL: The aspect the minister might like to think about is that we will not go ahead with the inquiry if we have all the relevant facts. However, where is the original contract between ABB and Western Power and do we have access to it?

Mr Barnett: As I said, it is the property of Western Power. I have never seen it.

Mr Thomas: Have you seen the escalation clause? Can we have a look at that?

Mr GRILL: Has the minister had a look at the escalation clause? That is a very good question.

Mr Thomas: I know you don't like to look at these things but I do. I would like to see the escalation clause.

Mr Barnett: If you want to ask a question about it, I will get an answer for you. You seem to fail to understand.

Mr Thomas: I understand very well.

Mr Barnett: I actually make a distinction between ministerial responsibility and the commercial responsibility of government trading enterprises.

The ACTING SPEAKER (Mrs Hodson-Thomas): Order! The member for Eyre.

Mr Barnett: I never took - and I never will take - part in negotiations with Western Power.

Mr Thomas: All right, just show me the contract.

The ACTING SPEAKER: Order! The member for Eyre is on his feet.

Mr GRILL: The minister looks as though he is in a difficult spot and I will try to help him out. During the estimates committee debate last week the minister said that the electricity price is relatively expensive per unit of megawatt or capacity. So we had an admission.

Mr Barnett: I admitted that today.

Mr GRILL: The minister went on to say that it is still the lowest cost, most efficient operating power station in the system.

Mr Barnett: That is correct.

Mr GRILL: Those statements sound contradictory. In fact, both statements are true. Once again, this is simply an effort by this minister to obfuscate by mixing up the capital cost of the power station with the operating cost. We do not know the facts about the operating cost because nearly everything is secret: The original contract, the operating contract, the escalation clause and so on. We are not talking about the operating costs - they may well be low, we do not know.

Mr Barnett interjected.

Mr GRILL: We have never referred to the operating cost because we do not have the facts; we have referred to the capital cost. On that score, we stand by the figures we put forward. They come from official sources, and as far as we are concerned, this power station appears to be by far the most expensive power station operating in Australia for some time.

It would be very surprising if the operating costs were not low considering the amount spent to make the power station operationally efficient. When the minister says it is a state-of-the-art operation, I have no doubt about that. However, if we amortise the capital cost into the cost of the power, what is the final cost of the power? That is a very different question from that posed by the minister earlier today and last week during the estimate committee hearings. Those questions should be dealt with separately. If the minister then wants to amortise the cost taking into account the capital cost, he will arrive at a very different figure. We should not get the two mixed up; we are talking about the capital cost.

The Opposition has had a consultant of some status analyse those costs. The minister prognosticated that the power station planned by the previous Government at twice the size had a cost of 8.8¢ per kilowatt. The Opposition's consultant - who does not want to be named - says that at the very least the cost of power from the Collie power station will be 6.5¢ per kilowatt hour. Members on this side do not want to argue about that at this time because we do not have all the facts. However, if we had a Public Accounts and Expenditure Review Committee inquiry, we would have those facts and we would hear evidence from the experts and our consultants; all those people could be examined.

I assume that the minister will oppose this motion.

Mr Barnett: We are still being persuaded by your argument.

Mr Osborne: The member for Pilbara wanted to adjourn the debate.

Mr GRILL: I do not know what got into him. He was operating under some misapprehension.

Several members interjected.

Mr GRILL: The minister has indicated that he is still making up his mind about whether to support the motion. In the hope that I can convince him, I point out that, one way or another, this contract or group of contracts will be examined. It will be examined by a committee of this House or some other committee. The minister should believe me.

Mr Barnett: Who else would waste their time going through this exercise again?

Mr GRILL: There are people in this State and members of Parliament who are concerned about taxpayers' money. The minister may not be, but they are.

Mr Barnett: You certainly were not. Let us form a Labor Party committee to be concerned about taxpayers' money!

Mr Cowan: This is the complete reformation of the member for Eyre.

Mr GRILL: The Deputy Premier wants to haul out the old chestnut. He can make a contribution and call me names then.

Several members interjected.

Mr GRILL: If the minister and other members opposite are not prepared to allow this matter to be properly examined, is the minister prepared to make public a copy of the initial contract with ABB?

Mr Barnett: It is not my contract to make public. If you want to ask for specific details about escalation, I will endeavour to provide them. I will not divulge Western Power's commercial information.

Mr GRILL: Will the minister explain the 13 per cent or more escalation in cost?

Mr Barnett: If the member puts that question on notice, I will provide an answer.

Mr GRILL: Will the minister explain why this power station is being run by the New South Wales Government?

Mr Barnett: It is not.

Mr GRILL: It is being run by Pacific Power, which is directly owned by the New South Wales Government. The minister has probably taken a leaf out of the New South Wales Government's book. It has been able during the past six years - the

period during which the coalition has been in power - to lower power costs in that State dramatically. If the minister wants to emulate that strategy, he should bring in Pacific Power to run the system. If that is the case, why not let the New South Wales Government run the whole thing? There is no answer from the minister.

This process is in dispute and this minister is not prepared to allow any scrutiny of any of the aspect of any of the critical contracts. Throughout this process - from the beginning back in 1993 when he made the unilateral decision not to allow this contract to go to tender until today - every element has been shrouded in secrecy. When specific questions are put to this minister seeking the disclosure of some elements, he answers in the negative.

Mr Barnett: I again make the point that ABB had a mandate. I would have had to withdraw that mandate to put it out to tender. I chose not to and, incredibly, I honoured some of the decisions taken by the previous minister. That is what I did in the true Westminster spirit.

Mr GRILL: The minister has already made that point; it is nothing new. I know that this minister and the Government are proud of some aspects of their energy policy. Some aspects are worthy of pride; for example, the disaggregation of the North West Shelf DOMGAS contract and the separation and incorporation of the electricity and gas businesses. The phasing in of access to the AlintaGas' transmission and distribution system, which is one of the minister's proudest achievements, and the phasing in of access to Western Power's electricity transmission and distribution network are dubious achievements. They sound good superficially, but in reality they have never been put into practice.

Mr Barnett: You can debate that; it is a good topic.

Mr GRILL: Week after week members of the Labor Party meet with participants in the gas industry and the power industry in this State. Invariably they tell us that they are frustrated by either Western Power or AlintaGas in respect of third party access to the transmission and distribution systems. Yesterday, we had lunch with a group of consultants who spoke openly about the cost of access to the electricity distribution system in the Pilbara, where there is virtually no competition, and the cost of access to the eastern goldfields system, where there is private sector competition. This worldwide company's analysis has determined that the differential is a factor of 10. Every party wanting third party access to either gas or electricity in this State runs up against the same barrier.

Mr Barnett: Will you indicate the relevance of this to the Collie decision? It is relevant. Had Collie power station been a 600 MW station there would have been no deregulation in this State.

Mr GRILL: The minister talks about things that might have been. He lives in the past. He serves up his version of historical facts from 10 years ago or longer. In most respects, they are fairytales.

The minister refuses to deal with the facts. He makes fine speeches with all the rhetorical flourishes under the sun, but he talks about what might have happened 10 or 15 years ago. Members on this side want to talk about what happened, what contracts were signed, what scrutiny was applied and what guarantees were given.

Mr Barnett: None.

Mr GRILL: The minister is not prepared to talk about those issues, but sooner or later he will be required to.

**DR TURNBULL** (Collie) [6.02 pm]: This is a very interesting debate. I am very surprised that the Labor Party has taken on this issue. In fact, I would like to know why the Labor Party is debating this issue tonight. What do those opposite think they will achieve? Who will they impress? I assure members that the members for Cockburn and Eyre and the absent Leader of the Opposition will not impress anybody in Collie. They will not impress the coalminers, the power generation workers or the good citizens of Collie. They will not impress all the people in Bunbury and, particularly, those in the marginal seat of Mitchell where, unfortunately, many of the coalmine workers, the construction workers and the power generation workers live. They will not be impressed.

Several members interjected.

Dr TURNBULL: I would rather they lived in Collie.

Mr Barnett interjected.

Dr TURNBULL: I most certainly do. I think we should send a newsletter around the electorate of Mitchell pointing out that all this business about being located next to the sea is not necessarily the best lifestyle. These people would be better off living in Collie. The members of the Labor Party will not impress anybody in those areas. I have been listening to this debate for a while. I get the impression that those opposite are trying to put forward the principal criticism that the minister did not put the contract for the construction of the 300 megawatt power station out to tender. Is that the basis of the argument? I think those opposite are so dizzy and are having a little confab that they do not realise I am asking them a question. I presume that is the basis of the argument. They are trying to say that if the tender had been resubmitted at that time in 1993, the cost of the power station would have been lower. Is that what those opposite are trying to say?

Mr Grill: We do not think it is worth going back into that history.

Dr TURNBULL: That is exactly what is in the member's motion.

Mr Grill: That is your version.

Dr TURNBULL: I am surprised by that reply. In this debate, members opposite are asking for the Public Accounts and Expenditure Review Committee to investigate this matter; yet the member has just said that he does not think there is any point in investigating it.

Mr Grill: The member can include that if she wants to. That is fine. She can amend the motion so we can do that. It will not worry us.

Dr TURNBULL: As far as I can see that is what is being asked for in the motion. It refers to the probity of the signing of the contract without its having been put out to tender.

Mr Grill: That is the contract that was signed.

Dr TURNBULL: I am asking whether the member is saying this: If the construction contract had been put out to tender, would the cost have been lower?

Mr Grill: It should have gone to tender.

Dr TURNBULL: As a result of that, does the member think there would have been a lower cost?

Mr Grill: Absolutely.

Dr TURNBULL: How on earth can the member think the cost would have been lower, when he and the Leader of the Opposition who is not in the Chamber -

Mr Marlborough: Neither is the member for Mitchell.

Mr Barnett: He is in the Chair. We can always count on Normie to be on the ball!

Mr Grill: The then member for Mitchell.

Dr TURNBULL: The then Premier was talking to the ABB-Itochu consortium about a 600 MG power station at a cost of \$2.2b. How on earth could we have got a lower price? I will tell members a few of the things that were going on at that time. I will do that because I think that is the basis of the argument being put forward today. At that time Transfield had been in negotiation with the Government, the Premier of the day and the Minister for Fuel and Energy, and Transfield had been awarded the exclusive right to negotiate. It was quoting a figure of \$2.1b. It must be remembered that only two companies were on that list of preferred tenderers. The Government had put out expressions of interest all around the world and it had only two companies with which to negotiate. One was Mitsubishi Transfield and the other was Asea Brown Boveri Pty Ltd. Transfield had a long time in which to try to raise finance, and the then Minister for Fuel and Energy, who is now the Leader of the Opposition, had been on a trip around the world trying to encourage bankers and financiers to invest in Mitsubishi Transfield.

Mr Barnett: Do you think it was proper conduct for a minister to raise finance for a private company bidding for a government contract? You must look at the propriety of that. Perhaps the public accounts committee should look into that.

Dr TURNBULL: The member for Cockburn, who is not now in the Chamber, talks about issues of impropriety and perhaps we should look at a few of these matters.

Mr Grill: If you want to include that in the inquiry, do it.

Mr Trenorden: There speaks the acting Leader of the Opposition.

Dr TURNBULL: That is a very good point. Of course, the member for Eyre would not mind if the Leader of the Opposition got embroiled in some of these past activities. It would be good for the member for Eyre, would it not?

Mr Pendal: We are seeing another side of the member for Collie that we have not seen before. She is enjoying this.

Dr TURNBULL: I certainly am, because this has been my bread and butter, lifeblood and breath since 1984.

Mr McGowan: This has been your lifeblood since 1984?

Dr TURNBULL: No, I said my breath since 1984 when the Prime Minister of Australia, Hon R.J. Hawke, came to Collie. He came to the park and made wonderful announcements about what would happen to Collie. He took a telegram from his pocket and read that we would have a new 600 MW power station in Collie and it would start before the end of the year.

Mr Barnett: Which year?

Dr TURNBULL: The year 1984. I can assure members that we have been involved in a lot of activities.

Mr Grill: You told quite a few people that Collie would have a 600 MW power station in Collie.

Dr TURNBULL: I most certainly did. I can assure members opposite that I am very disappointed that it was not an 600 MW power station. I voted with the Opposition on the day it voted to censure the current minister in this House in 1993. I voted with the Opposition and I am disappointed that Collie did not get a 600 MW station.

Mr Grill: Did Colin promise you the 650 MW power station?

Dr TURNBULL: To tell members the truth, the Minister for Energy did not actually promise me one; he kept his mouth shut. However, there was a Leader of the Opposition at that time, a leader of the Liberal Party, whose arm I could have screwed off and said he promised me one. Unfortunately for me the current Minister for Energy did not promise me one. I was absolutely furious the morning I heard on the radio that he had cut it down to 300 MW.

Mr Marlborough: I'll have to check *Hansard*. Was it the arm?

Dr TURNBULL: Yes. I can tell the simplistic mathematician, the member for Cockburn, why he has turned up with that fancy graph. In the capital expense of the building of new Collie we have -

Mr Thomas: A 600 MW chimney.

Dr TURNBULL: Yes. A 600 MW chimney, a 600 MW coal handling supply, a 600 MW coal dump and a 600 MW waste water disposal pipeline from the power station to the sea. We have a 600 MW power station administration centre and a 600 MW power station site with a pad compacted and ready for the next unit. We could have a 900 MW power station on that site and in fact, we will have a 900 MW power station on that site.

Mr Thomas: Do you know what the chimney cost in total - what it is worth?

Dr TURNBULL: The member for Cockburn can tell me.

Mr Thomas: About \$60m.

Dr TURNBULL: It is very fine chimney.

Mr Thomas: I am sure it is an excellent chimney. It is worth about \$30m of the blowout. You have \$230m left to explain.

Dr TURNBULL: I am not explaining that at the moment. I am telling the House that by the time we want to put the next 300 MW generator and boiler system in place, it will be all we have to put in. The water supply is also ready. Roll on anybody in Western Australia who wants to create any further economic development because we can have another 300 MW power station right there at a very reasonable price. Then we will look at this price issue.

Mr Thomas: The cost will have to come down a long way to bring this one down.

Dr TURNBULL: And it will.

Mr Thomas: It will have to come down to zero to bring it down to the average.

Dr TURNBULL: Another factor I want to raise is that the next generation and boiler system to be based at the new Collie site will be the newest technology available. It could be a different type of generator and boiler system. It might be a pressurised, fluidised bed or something like that which will improve the efficiency of coal generation yet again. As we know, unfortunately, coal-fired generation is not quite as efficient as that of gas. Also, unfortunately the greenhouse gas production is about 60 to 65 per cent of coal-fired generation per megawatt unit of electricity produced. Despite those factors, coal is still the best base-load power generation fuel that we have in Western Australia. It certainly has the capacity to deliver the best -

Mr Marlborough: As you know, we are great supporters of coal.

Dr TURNBULL: It does not sound like it. Why did the member for Cockburn move this motion?

Mr Marlborough: You need only see my track record in Collie to see how supportive we are.

Dr TURNBULL: The member for Peel might support the use of coal, but I can assure him that his party does not support it.

Mr Barnett: I am sure that the member for Peel was involved. When the now Leader of the Opposition, Dr Gallop, was minister and made such a hash of it, they wheeled in the member for Eyre and the member for Peel to help out with contracts and things. It is pathetic that they were the backup team and shows how weak the upfront team was at the time.

Dr TURNBULL: I refer to the role of the Labor Premier in 1992. I will explain why only two companies in the world were interested in tendering for the 600 MW power station. The Labor Party was undergoing enormous internal turmoil about whether it would build the coal-fired power station. David Parker was not fully committed to it. What did the Premier of Western Australia do in 1992? She called on Sir Roderick Carnegie to undertake a full-scale inquiry into the future power generation requirements of Western Australia.

The then Premier received that report just before Christmas, but she did not release it despite the fact that we all called for its release before the election. What did Carnegie recommend? It recommended no coal-fired power station at all - not even a little piddly one. Premier Lawrence would not release that report. No wonder Asea Brown Boveri became upset that it did not go ahead when it thought it had exclusive rights to a \$2.2b station. I can assure members opposite that the people of Collie knew because I told them. They voted for me because they could see only one way out of this dilemma.

Mr Trenorden: Kick out the Labor Party.

Dr TURNBULL: They needed to make sure that their National Party member of Parliament was voted in to become part of the coalition Government.

Mr Barnett: Thanks for a seat at the table!

Dr TURNBULL: Yes. The people of Collie knew that was our only chance of getting a power station. Of course we wanted a \$600m MW one. Naturally, I too wanted a power station of that size.

Mr Thomas: We are happy that you have your power station. We celebrated the opening of it, but we are sorry it cost twice as much as it should have. We are over the moon.



Dr TURNBULL: The member for Cockburn is like the little boy trying to play the big game; he is at the back waving his arm saying, "Look at me; I had something to do with this. Don't forget that I am part of it." I can see no other reason that the Labor Party has moved this motion tonight. Can the member for South Perth?

Mr Pandal: No. I think Labor Party members should run up white flag.

Dr TURNBULL: Of course members of the Labor Party cannot think of any other reason; they just want to attract attention and make people think they are still part of the game. They are not part of the game at all; they were left out years ago. I assure members that the people of Collie are far more impressed with the fact that they have jobs. They are far more impressed with the fact that they obtained jobs on the construction, and that they still have jobs in the coalmines.

I will tell members the facts of the matter: Collie people have suffered enormous cuts in the work force. In 1994 we took a cut of at least one-third in the power station work; the whole of the underground coalmines closed; we took a cut of one-third in the open-cut mine; and we are now facing another cut in power generation. I will tell members why I am the member for Collie today. In 1984, I knew trouble was coming for our town; I knew our town must face enormous changes if we were to maintain any place at all in the generation of energy under the competition of gas and other forms of energy. We, in Western Australia, had to get the price of electricity down.

Mr Marlborough interjected.

Dr TURNBULL: By going out and offering to become a candidate for the 1986 election; that is how I did it.

Mr Marlborough interjected.

Dr TURNBULL: Yes, we did. That is how we raised the issue at that time. Tom Jones won despite the fact that Brian Burke absolutely hated his guts.

Mr Cunningham: That is not true.

Dr TURNBULL: It is true.

Mrs Roberts: How can you say things like that?

Dr TURNBULL: He wanted to get rid of our Tom. Tom Jones was a good member of Parliament for Collie; he just did not suit the Labor Party picture. Its members crucified our Tom.

Mrs Roberts: How would you know anything about Brian Burke?

Dr TURNBULL: I was there and the member for Midland was not; she was just coming out of school.

Mr Cunningham: They were like father and son.

Dr TURNBULL: I want to return to the serious issue. The people of Collie have worked very hard.

Mr Grill: I was there, too, and you did get it all wrong. Brian Burke talked Tommy Jones into standing again in 1986, because Tommy did not want to.

Dr TURNBULL: The member for Eyre should not forget that the person who tried to put Tommy out in the first place during the preselection was Brian Burke. When he found out that I would win the 1986 election, he had to turn around and beg Tommy to come back. Tommy won by 127 votes. I always say: Tom Jones won the 1986 election and Collie won; Hilda Turnbull won the 1989 election and Collie won; and Hilda Turnbull won the 1993 election and Collie also won! We did not have Carmen Lawrence's Carnegie program foisted on us, which would have meant no power station at all - no megawatts at all. At least we got 300 megawatts; at least we got some jobs; and at least the coal industry is moving on. I praise the people of Collie who have faced huge changes in the method of coalmining and power generation and who, subsequently, have lost a lot of jobs. It has been a very hard time in our town. However, we are thankful that as we are going through that process we are able to maintain coal as a competitive fuel.

I warn the Minister for Energy: There is to be absolutely no excuse that the cost of megawatts generated out of the new Collie coal-fired power station is too high because we know that the 300 MW power station does not have the economies of scale. When we have the second 300 MW power station, that is when the real effects of the reductions in cost on the coalfields will be seen.

Mr Barnett: I make a slight correction. During the decision-making process, we considered that carefully, and we looked at different configurations, such as two 200 MW power stations. The major economy of scale is in the size of the generating unit, and it came down to the fact that whatever was built, it had to be built in multiples of 300 MW. That was the biggest factor.

Dr TURNBULL: We are pleased with that. I can assure the minister that we did not want three 200 MW power stations. As the National Party member representing the seat of Collie, I will continue to ensure that there will be a second 300 MW power station.

Mr Grill: When?

Dr TURNBULL: That depends partly on the economic status of Western Australia and the economic use of electricity by the large users. The member knows as well as I do that unfortunately it is a chicken and egg situation. That is one of the reasons that I was a supporter of the power station having some surplus capacity, because if there is surplus capacity we can

try to attract other users. However, despite that, I am sure that we would be able to get on with the second 300 MW unit very quickly if there were an industry that needed it.

Mr Grill: If, as the minister says, this power station is the most efficient in Western Australia, why does he not want to build the other 300 MW power station?

Dr TURNBULL: Until we have a company that will use it, we would be putting the rest of Muja out of use.

Mr Grill: In the meantime, more than 300 MW of private capacity has come into operation.

Dr TURNBULL: Yes, I know that. The member said that he wanted competition. That is the whole idea. That is why we must try to prove the case in years to come that we are efficient and that if we have this second 300 MW power station we will be far more efficient.

Mr Grill: Don't you realise that when this minister allows the price of this power station in capital terms to burgeon out in the way that it has, it kills Collie; it kills coal-fired power generation?

Dr TURNBULL: It does not kill Collie. Although I accept that the member is putting forward the pricing, I do not accept the simplistic analysis of the member for Cockburn. However, I accept that certain people - that is why I am now speaking to the minister - may try to use this as an excuse and may try to use this as a reason for not using Collie coal for generation in the future. I am just warning the minister that this will not be the case.

Mr Grill: Therefore, you obviously agree with our argument that it is too costly, otherwise it could not be used as an excuse by people not to build more.

Dr TURNBULL: I agree entirely that the price of the new coal-fired power station at Collie would be reduced if we had a second 300 MW unit. However, I do not think that that is any reason for accepting the motion that the Opposition is putting forward tonight. I do not think that is any reason for Collie people to be impressed with the member for Cockburn's and the member for Eyre's efforts here to try to put themselves in the picture by criticising the new Collie power station. This is the most ludicrous motion to be put forward at this time.

**MR COWAN** (Merredin - Deputy Premier) [6.30 pm]: The member for Collie has given a clear illustration of why she has won the seat of Collie for the years she has. I am surprised she did not thank the Opposition for the introduction of this motion, which will guarantee her winning the seat again.

We have the height of hypocrisy in this House tonight from a party which when in government was prepared to make public statements to the effect that it was prepared to build a power station for between \$2.1b and \$2.2b. To make the statements made by the member for Eyre and the member for Cockburn that they would never the close the deal is a nonsense. Their Government did not close a deal because of its incompetence or, should I say, the people to whom it awarded the preferred bidder status were unable to produce a bankable document and thus obtain the funds for the undertaking.

Mr Thomas: They wanted too much.

Mr COWAN: This political organisation was prepared to back them to the tune of \$2.2b. There is no question that the then Premier of the State of Western Australia said that the then Government would give legislative backing, if it meant that would comfort this consortium, in order to ensure that those funds would be protected and that it would get a return on its investment. Now opposition members come into this Chamber and pretend none of that happened and say that they had no intention whatsoever of closing the deal. They perpetuate the perception that so many members of the public have about politicians; that is, people cannot trust them. I despair when I see these matters taken up purely and simply for expediency in the hope that the Opposition can cast some cloud over the opening ceremony.

Mr Grill: Are you concerned about costs?

Mr COWAN: Of course we look at costs all the time.

Mr Grill: Will you support the motion?

Mr COWAN: No. I am very disappointed that the motion was moved in the expectation that it would cast some cloud over the opening of the power station later this week. As I have said, the member for Collie has the right to be proud of the opening on Friday. There is no doubt that she has carried the banner for Collie for many years. She is accurate when she says that of all the industries in the resource sector that have undergone adjustment, the coal industry has undergone significant adjustment. First, the protection that was afforded to the coal industry was removed. The impact of that was to make underground coalmining non-viable. That industry disappeared from the Collie coalfields. Significant adjustments were made, and there was a great deal of rationalisation in the industry. We were fortunate to some extent that at the time that rationalisation took place the gold and nickel industries were experiencing what one could call a boom, and many of the experienced displaced miners, particularly the underground miners, found work in the goldfields, and that was an advantage for us. The Collie coalfields experienced a significant downturn through the rationalisation of the industry, but the coalminers pinned their faith on one thing, which is exactly what the member for Collie said; namely, that base-load power generation using coal as the primary energy resource is still the most efficient way of generating electricity in this State.

There has been some questioning of the cost of this power station. The cost is not for a 300 MW power station, because we must bear in mind that built into this 300 MW power station is the capacity to handle the next tranche of power, which will be another 300 MW, without the need to duplicate the emission stack and coal loading facility. Costs were built into

this 300 MW power station that were over and above the cost for which it might have been built, but I still maintain that the decision that was made by the Government, given the rationalisation that was taking place within the coal industry, was for that reason alone the right decision. It gave some hope and expectation to the coalminers of Collie. In society we need to bear those things in mind, and that was the correct thing to do. In addition, I am mindful of the fact that notwithstanding the need for us to build in all those factors that will permit a second 300 MW turbine to be placed there at the lowest possible cost, the cost per megawatt is still significantly less than the original deal that was put forward by the Opposition when it was in government. That appears to have been forgotten by the Opposition, but I assure the Opposition that it has not been forgotten by us, it has not been forgotten by the coalminers of Collie and it has not been forgotten by the regional population of Western Australia.

I understand as well as anyone else that the Opposition is asking what happened to the plan for a 600 MW power station. The National Party understands that our commitment was for a 600 MW power station.

Mr Grill: Like your commitment to the gold royalty!

Mr COWAN: It is probably like the Opposition's commitment to the income tax payable by the goldmining industry.

If in the future we reach the stage where there is not a great deal of reserve capacity and there is a demand for base-load power, we will be able to move to the next 300 MW. I will not predict when that will be. I heard the Opposition ask that question of the member for Collie. I will not predict when that will be because I do not have that information available to me. Coal is still the cheapest primary energy resource for base-load power generation. I think the members for Eyre and Cockburn would be prepared to acknowledge that, and I do not need to ask the member for Collie, because she knows it. We have benefited over the past five years from the deregulation of the energy industry, particularly gas, and notwithstanding that deregulation I am still confident that there is a strong future for coal for base-load power generation in Western Australia.

Mr Marlborough interjected.

Mr COWAN: The interjection from the member for Peel is interesting. I recently returned from the United States of America where it was interesting to learn about the number of companies putting forward plans, successfully in some cases, to revitalise coal-fired power stations using the latest technology which makes such stations very efficient and clean. A great deal of work is being done in that country. Notwithstanding that, the nonsensical part of the agreement between the Prime Minister and the Australian Democrats was written because the Labor Party gave the Democrats that opportunity by withdrawing and becoming irrelevant in the taxation debate. Therefore, members opposite cannot open their mouths to criticise. I am sure we will be able to apply some of the new technologies to make coal a cleaner and more efficient fuel for base-load power generation.

No reason exists to support this motion. No argument has been made by any member opposite to justify the Legislative Assembly passing a resolution that the Public Accounts and Expenditure Review Committee examine this matter. Everyone knows that four basic channels are available to have the Public Accounts and Expenditure Review Committee investigate this issue. The member for Cockburn, as is his right, seeks to use one of those channels. I ask the House and its majority of members to reject that attempted use and oppose the motion.

Question put and a division taken with the following result -

#### Ayes (13)

Mr Brown  
Mr Carpenter  
Mr Grill  
Mr Kobelke

Mr Marlborough  
Mr McGinty  
Mr McGowan

Ms McHale  
Mr Riebeling  
Mrs Roberts

Mr Thomas  
Ms Warnock  
Mr Cunningham (*Teller*)

#### Noes (24)

Mr Ainsworth  
Mr Baker  
Mr Bloffwitch  
Mr Board  
Mr Bradshaw  
Dr Constable

Mr Court  
Mr Cowan  
Mrs Edwardes  
Dr Hames  
Mrs Hodson-Thomas  
Mr House

Mr Minson  
Mr Nicholls  
Mr Omodei  
Mr Pendal  
Mr Prince  
Mr Sweetman

Mr Trenorden  
Mr Tubby  
Dr Turnbull  
Mrs van de Klashorst  
Mr Wiese  
Mr Osborne (*Teller*)

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#### Pairs

Ms MacTiernan  
Ms Anwyl  
Mr Ripper  
Dr Gallop  
Mr Bridge

Mr Day  
Mr Barnett  
Mr Shave  
Mr Kierath  
Mr Johnson

Question thus negatived.

*House adjourned at 6.46 pm*

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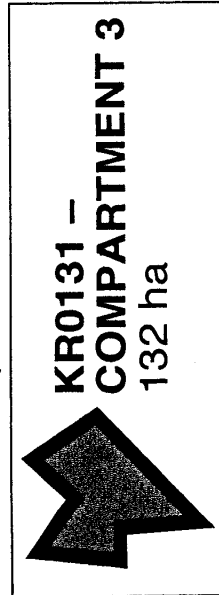
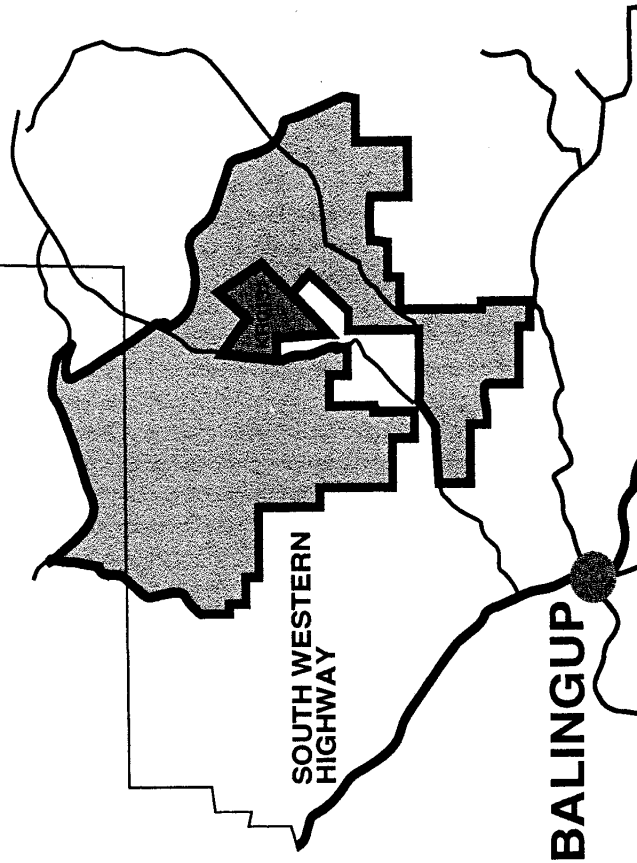
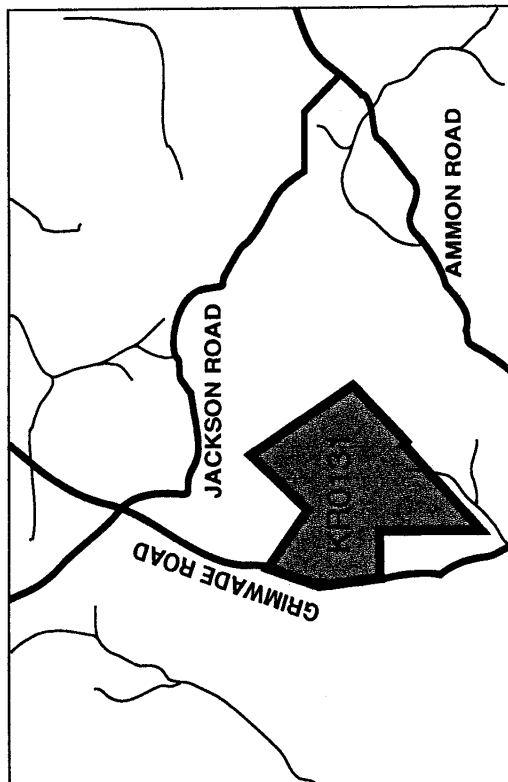
APPENDIX A

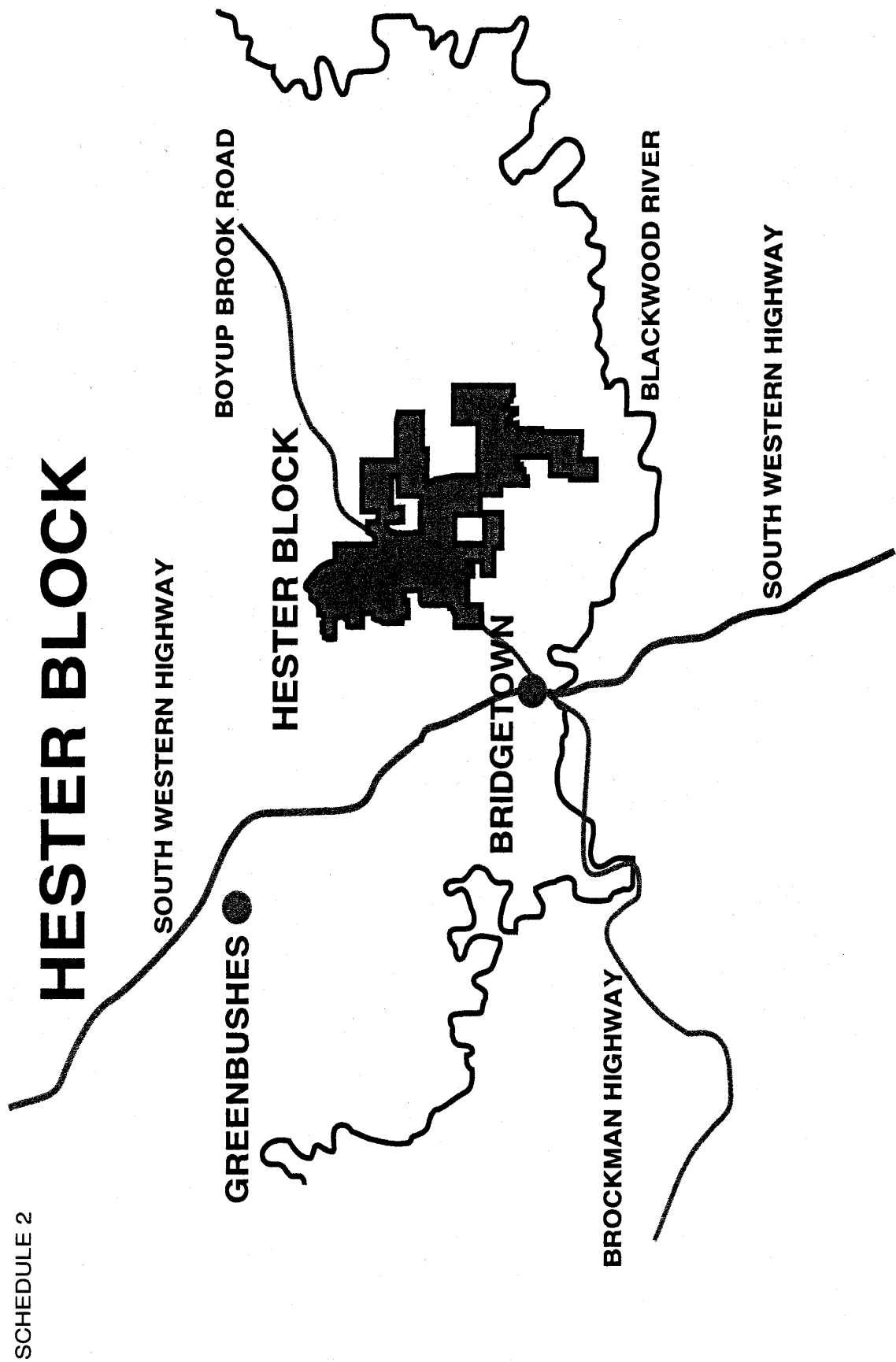
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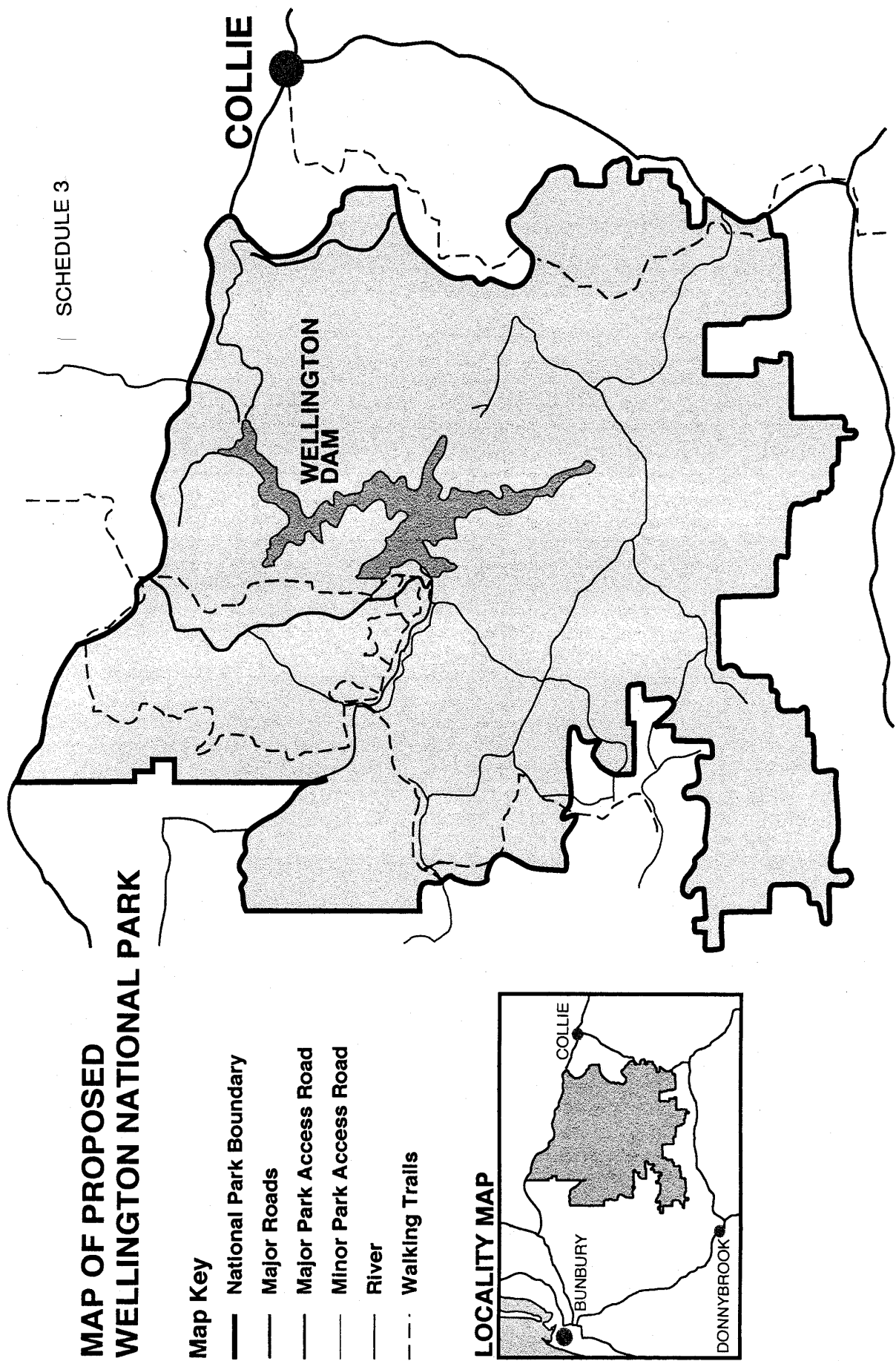
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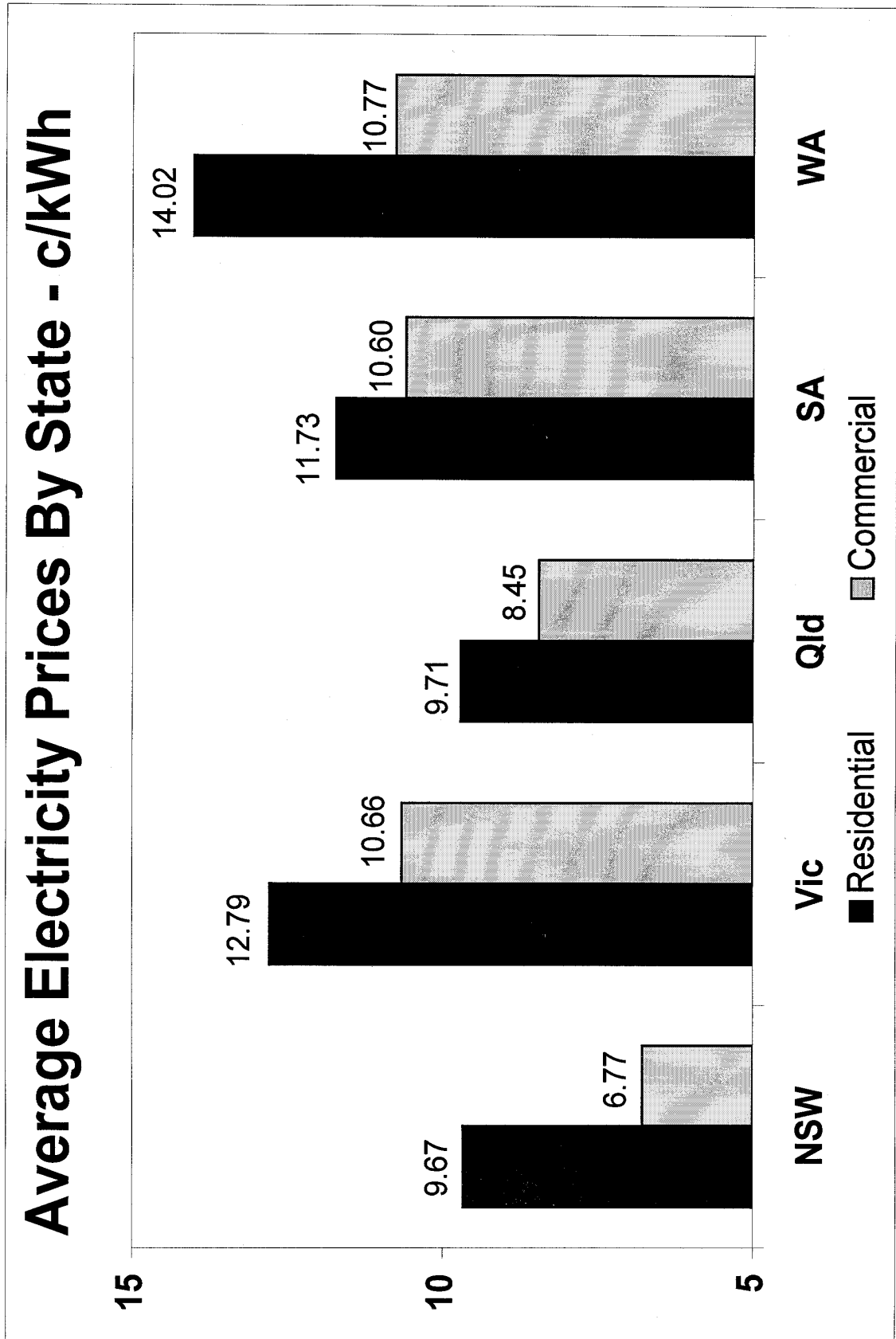
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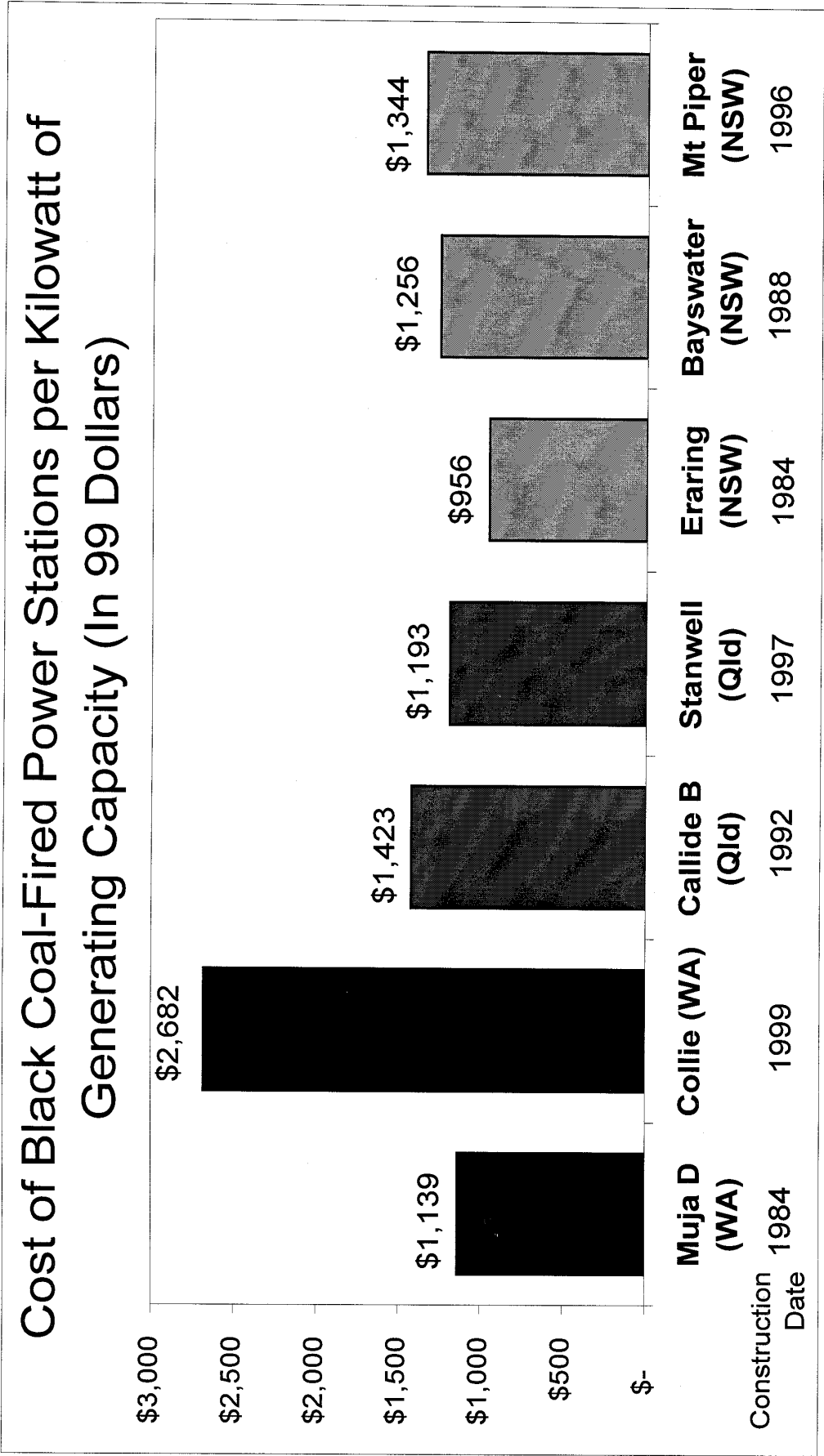






APPENDIX B







# QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

## WORKERS COMPENSATION, OWNER-BUILDERS

1948. Mr KOBELKE to the Minister for Labour Relations:

- (1) Did the Minister refer the matter of Workers' Compensation Insurance for owner builders to the Workers' Compensation and Rehabilitation Commission as indicated in *Hansard* on 28 October 1998?
- (2) If so, has the Minister received a reply?
- (3) What action, if any, is the Minister taking as a follow up to this response from the Workers' Compensation and Rehabilitation Commission?
- (4) Will the Minister table a copy of the reply she has received?

Mrs EDWARDES replied:

- (1)-(2) Yes.
- (3) The Workers' Compensation and Rehabilitation Commission did not support the Workers' Compensation and Rehabilitation Act being amended to redefine the current provisions relating to owner/builders. However, further advice is currently being sought regarding options available to address this issue.
- (4) Yes. An extract of the Workers' Compensation and Rehabilitation Commission Meeting Minutes, is tabled for the member's information. [See paper No 985.]

## GOVERNMENT DEPARTMENTS AND AGENCIES, PROVISION OF SERVICES

1996. Mr BROWN to the Minister for Family and Children's Services; Seniors; Women's Interests:

- (1) What steps have each department and agency under the Minister's control taken to ensure it provides an equal level of service to all West Australians wherever they live?
- (2) Has each department and agency examined the -
  - (a) quality; and
  - (b) ease of access,
 of the services provided in each of the regions compared to the average quality and access in Perth?
- (3) Will the Minister provide details of what changes/improvements have been made in this regard since 1 January 1997?
- (4) Has the level and/or quality of services provided by each department and agency throughout Western Australia been actively reviewed since 1 January 1997?
- (5) What was the outcome of that review?
- (6) Who undertook the review?
- (7) When was it undertaken?

Mrs PARKER replied:

- (1)-(2) The current focus on improving agency performance in the Western Australian public sector reflects the continuing importance of achieving results. In the Western Australian public sector, the results or outcomes to be achieved are made clear in an agency's program and sub-program objectives. Activities used to assess the performance of public sector agencies include monitoring, auditing, review and evaluation. Service levels are commonly documented in annual reports, budget papers and customer service charters.
- (3)-(7) In May 1998 the Government announced the commencement of a process to develop a whole-of-government regional development policy for Western Australia. The policy will provide a framework for coordinated Government action to ensure that all regional communities receive a high standard of services. A Steering Committee has been formed to oversee the policy formation process. The Steering Committee has membership from 14 State Government agencies, the Western Australian Municipal Association, the Regional Development Council, the Deputy Premier's Office and four community representatives. As an input to the policy, a scoping paper "*An Overview of Regional Development in State Government Agencies*" was written by the Department of Commerce and Trade which outlines the regional development activities of 42 State Government agencies. In addition, "*Policy Directions Papers*" have been written by a range of State Government agencies to identify opportunities to accelerate regional development and define appropriate measures for regional development outcomes. As a further input to the policy process, a "*Policy Framework Discussion Paper: Setting the Direction*"

*for Regional Western Australia*" was compiled in January 1999 by a consultancy firm, Synectics Creative Collaboration. The paper outlines a vision, principles, values, goals and objectives for regional development. Consideration of access to services is included in the framework paper.

#### GOVERNMENT DEPARTMENTS AND AGENCIES, PERFORMANCE AUDITS

2018. Mr BROWN to the Minister for Family and Children's Services; Seniors; Women's Interests:

- (1) Has an audit been carried out on each department and agency under the Minister's control to measure the performance of the department or agency in improving the equitable delivery of services in regional areas?
- (2) How many audits have been carried out since 1 January 1997?
- (3) Who carried out the audit?
- (4) What were the findings of the audit?
- (5) Have the findings of the audit been reported?
- (6) When were they reported?
- (7) In what document or media statement were they reported?

Mrs PARKER replied:

- (1)-(7) The Regional Development Council and the Department of Commerce and Trade are drafting a regional development policy for Western Australia. The policy will provide a framework for coordinated Government action to ensure that all regional communities receive a high standard of services. As an input to the policy, a scoping paper "An Overview of Regional Development in State Government Agencies" was written by the Department of Commerce and Trade which outlines the regional development activities of 42 State Government agencies. The document, which is available in hard copy and on the project website, has been distributed to the policy's Steering Committee and Reference Group. In addition, 'Policy Directions Papers' have been written by a range of State Government agencies to discuss issues relating to regions, identify opportunities to accelerate regional development and define appropriate measures for regional development outcomes. The draft policy, scheduled for release for public comment in mid-1999, will provide further consideration of service delivery levels.

#### GOVERNMENT DEPARTMENTS AND AGENCIES, EMPLOYEES UNDER 21 YEARS OF AGE

2034. Mr BROWN to the Deputy Premier; Minister for Commerce and Trade; Regional Development; Small Business:

How many employees under the age of 21 years were recruited by each department and agency under the Deputy Premier's control in the -

- (a) 1997-98 financial year; and
- (b) 1998-99 financial year (to date)?

Mr COWAN replied:

Department of Commerce and Trade

- (a) Three.
- (b) Nil.

Small Business Development Corporation

- (a) Nil.
- (b) Two.

International Centre for Application of Solar Energy (CASE)

- (a) Nil.
- (b) One.

Gascoyne Development Commission

- (a)-(b) One.

Goldfield-Esperance Development Commission

- (a) Nil.
- (b) One.

Port Hedland Development Commission

- (a)-(b) Nil.

Mid West Development Commission

- (a)-(b) Nil.

Kimberley Development Commission

- (a) Nil.
- (b) One.

Great Southern Development Commission

- (a) Nil.
- (b) Two.

Wheatbelt Development Commission

(a)-(b) One.

South West Development Commission

(a)-(b) Nil.

Peel Development Commission

(a)-(b) Nil.

GOVERNMENT DEPARTMENTS AND AGENCIES, EMPLOYEES UNDER 21 YEARS OF AGE

2051. Mr BROWN to the Minister representing the Minister for Transport:

How many employees under the age of 21 years were recruited by each department and agency under the Minister's control in the -

- (a) 1997-98 financial year; and
- (b) 1998-99 financial year (to date)?

Mr OMODEI replied:

The Hon Minister for Transport has provided the following response:

Bunbury Port Authority

- (a) Two trainees.
- (b) Nil.

Main Roads Western Australia

- (a) Eight.
- (b) Four.

Department of Transport

- (a) Thirty.
- (b) Seventeen.

Westrail

- (a) Seven.
- (b) Two.

GOVERNMENT CONTRACTS

2062. Mr BROWN to the Minister for Family and Children's Services; Seniors; Women's Interests:

- (1) How many contracts (other than employment contracts and contracts for less than \$50,000) did each department under the Minister's control enter into in the months of -

- (a) November 1998; and
- (b) December 1998?

- (2) What was the amount of each contract?
- (3) What is the name of each person/entity with whom the contract is been awarded to?
- (4) What is the nature of the work or services required by the contract?
- (5) What is the completion date of the contract requirements?
- (6) Was each contract awarded to the lowest tender?
- (7) If not, why not?

Mrs PARKER replied:

Family and Children's Services

- (1) (a) 10
- (b) 18

(2)-(5) See paper No 986.

(6)-(7) Contracts for Non Government Services - not applicable.  
Contracts for General Purchasing. [See paper No 986.]

Office of Seniors Interests

- (1) (a)-(b) None.
- (2)-(7) Not applicable.

Women's Policy Development Office

- (1) (a)-(b) Nil.

(2)-(7) Not applicable.

WA Drug Abuse Strategy Office

- (1) (a) None.
- (b) One.

- (2) \$18,800
- (3) Matrix Consulting Group Pty Ltd.
- (4) Evaluation of the Cannabis Cautioning and Education System.
- (5) November 1999.
- (6) Yes.
- (7) Not applicable

## GOVERNMENT CONTRACTS

2073. Mr BROWN to the Minister representing the Minister for Transport:

- (1) How many contracts (other than employment contracts and contracts for less than \$50,000) did each department under the Minister's control enter into in the months of -
  - (a) November 1998; and
  - (b) December 1998?
- (2) What was the amount of each contract?
- (3) What is the name of each person/entity with whom the contract is been awarded to?
- (4) What is the nature of the work or services required by the contract?
- (5) What is the completion date of the contract requirements?
- (6) Was each contract awarded to the lowest tender?
- (7) If not, why not?

Mr OMODEI replied:

The Hon Minister for Transport has provided the following response:

Fremantle Port Authority

- (1) (a) Three.
- (b) One.
- (2) \$355 165.
- (3) Lakis Construction.
- (4) Repairs to concrete piles (No. 186) and crane beam at "H" berth Victoria Quay.
- (5) 30 April 1999.
- (6) No.
- (7) One tender lower than Lakis Construction did not satisfy a requirement of marine experience.
- (2) \$106 946.
- (3) Drake International.
- (4) Slipping of FP "Response" for Hull, Shaft Survey and general maintenance.
- (5) December 1999.
- (6) No.
- (7) The lower tender received could not guarantee finalisation of the contract in the time required.
- (2) \$171 139.
- (3) Keoghs Door Control.
- (4) Installation of security system - outer harbour - bulk cargo jetty, Kwinana.
- (5) 19 February 1999.
- (6) Yes.
- (7) Not applicable.
- (2) \$70 000.
- (3) O'Brien Maritime Consultants.
- (4) Upgrade Dynamic Under Keel Clearance System (DUKC).
- (5) 31 May 1999.
- (6) Yes.
- (7) Not applicable.

Main Roads Western Australia

- (1) (a) 12.
- (b) 11.

For November 1998

- (2) Contract 361/97.
- (3) \$1 120 000.
- (4) Consolidated Constructions Pty Ltd.
- (5) Construct Bridge No.1293 over Hill River, Cervantes to Jurien Road.
- (6) 26 June 1999.
- (7) Yes.
- (7) Not applicable.

- Contract 512/98.  
 (2) \$90 857.  
 (3) Fujitsu Australia Ltd.  
 (4) Consultancy for the Road Information Management System.  
 (5) 18 December 1998.  
 (6) Yes - Sole supplier.  
 (7) Not applicable.
- Contract 104/98.  
 (2) \$124 895.  
 (3) Ove Arup and Partners.  
 (4) Ord River irrigation extension stage 2 road network planning study.  
 (5) 16 October 1999.  
 (6) Yes.  
 (7) Not applicable.
- Contract 716/97.  
 (2) \$11 708 500.  
 (3) Concrete Constructions Group Ltd.  
 (4) Road and bridge construction, Lord Street.  
 (5) 15 December 1999.  
 (6) Yes.  
 (7) Not applicable.
- Contract 414/98.  
 (2) \$478 500.  
 (3) B & J Catalano.  
 (4) Supply and deliver sub-base material South West Highway, North Dandalup to Fairbridge section.  
 (5) 23 April 1999.  
 (6) Yes.  
 (7) Not applicable.
- Contract 448/98.  
 (2) \$266 000.  
 (3) Giacci Brothers Pty Ltd.  
 (4) Supply and delivery of basecourse material to South West Highway, North Dandalup to Fairbridge section.  
 (5) 2 March 1999.  
 (6) Yes.  
 (7) Not applicable.
- Contract 79/98.  
 (2) \$433 287.  
 (3) Goldfields Contractors WA.  
 (4) Construct embankment, Albany Highway, Kenwick Flyover.  
 (5) 6 January 1999.  
 (6) Yes.  
 (7) Not applicable.
- Contract 182/97.  
 (2) \$868 606.  
 (3) BGC Contracting Pty Ltd.  
 (4) Construct underpass and dual use path on Albany Highway, Armadale, Bedfordale Hill.  
 (5) 5 April 1999.  
 (6) Yes.  
 (7) Not applicable.
- Contract 356/98.  
 (2) \$882 404.  
 (3) CSR Limited.  
 (4) Construct preload embankments for the proposed Narrows Bridge.  
 (5) 29 January 1999.  
 (6) Yes.  
 (7) Not applicable.
- Contract 128/98.  
 (2) \$1 842 060.  
 (3) Pavement Technology Ltd.  
 (4) Pavement repairs, cement stabilisation and primer sealing, Goldfields-Esperance region.  
 (5) 24 February 1999.  
 (6) Yes.  
 (7) Not applicable.
- Contract 326/98.  
 (2) \$59 920.  
 (3) Manarah Contracting.  
 (4) Maintenance grading, Marble Bar Road and Woodie Woodie Road, Pilbara.  
 (5) 28 March 1999.  
 (6) No.  
 (7) The lowest conforming tenderer only had one grader available at the time works commenced and was offered alternative work.
- Contract 170/98.  
 (2) \$242 350.  
 (3) CSR Emoleum Road Services.

- (4) Prime and seal Jigalong community roads and floodways, Pilbara.
- (5) 2 February 1999.
- (6) Yes.
- (7) Not applicable.

For December 1998

- (2) Contract 453/98.
- (3) \$1 466 375.
- (4) CSR Emoleum Road Services.
- (5) Bituminous sealing and linemarking on various roads, Midwest and Wheatbelt North regions.
- (6) 17 February 1999.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 516/98.
- (3) \$107 196.
- (4) Boral Asphalt.
- (5) Supply and delivery of cold mix, Goldfields-Esperance region.
- (6) 31 May 1999.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 320/98.
- (3) \$69 710.
- (4) Graffiti Coatings.
- (5) Preparation and coating of three steel bridges, Metropolitan area.
- (6) 11 May 1999.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 533/98.
- (3) \$299 436.
- (4) Extraman Pty Ltd.
- (5) Provision of clerical support services in Northam and Geraldton.
- (6) 31 December 1999.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 440/98.
- (3) \$106 050.
- (4) Gutteridge Haskins & Davey.
- (5) Perth-Adelaide National Highway (Wooroloo to Clackline) alignment study.
- (6) 29 October 1999.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 561/98.
- (3) \$59 843.
- (4) Eastern Goldfields Personnel.
- (5) Provision of clerical support services, Goldfields-Esperance region.
- (6) 30 June 1999.
- (7) No.
- (7) Eastern Goldfields Personnel, the second placed tenderer was \$1683 higher than the lowest tender. After applying the regional preference, Eastern Goldfields Personnel's price was \$335 higher. Eastern Goldfields Personnel's tender was assessed as better value for money as the personnel they offered were experienced in Main Roads systems and procedures.

- (2) Contract 495/98.
- (3) \$217 191.
- (4) F Bilcich Contractors Pty Ltd.
- (5) Supply and install culverts, South Western Highway (North Dandalup – Fairbridge section).
- (6) 6 May 1999.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 171/98.
- (3) \$218 254.
- (4) Avon Concrete.
- (5) Construction of kerb and grouted stone pitching, Jigalong Community roads, Pilbara.
- (6) 22 February 1999.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 543/98.
- (3) \$253 000.
- (4) Giacci Brothers Pty Ltd.
- (5) Supply and delivery fill material, Busselton Bypass.
- (6) 12 February 1999.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 565/98.
- (2) \$336 070.

- (3) Mayday Earthmoving.
- (4) Plant hire, Mount Magnet Sandstone.
- (5) 26 February 1999.
- (6) Yes – Lowest conforming tender.
- (7) Not applicable.

- (2) Contract 327/98.
- (3) \$64 720.
- (4) Manarah Contracting.
- (5) Maintenance grading, Woodie Woodie Road, Pilbara.
- (6) 8 April 1999.
- (7) Yes.
- (7) Not applicable.

Department of Transport

- (1) (a) Six.
- (1) (b) Ten.

- (2) Contract 287/98
- (3) \$130 100.00.
- (4) Lateral WA Pty Ltd.
- (5) Supply and delivery of AS400 Computer Software.
- (6) 1 December 1999.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 205/98
- (3) \$420 358.00.
- (4) Motherwell System.
- (5) Replacement of automatic ticket vending machine control system.
- (6) 27 September 1999.
- (7) No.
- (7) Better value for money.

- (2) Contract 243/98
- (3) \$101 180.00.
- (4) Advanced Mooring Technology Pty Ltd.
- (5) Supply and delivery of marine mooring buoys.
- (6) 26 November 1998.
- (7) No.
- (7) Better value for money.

- (2) Contract 148/98
- (3) \$134 890.92.
- (4) Sun Microsystems Australia Pty Ltd.
- (5) Provision of maintenance services for sun servers.
- (6) 1 December 2001.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 282/98
- (3) \$73 700.00.
- (4) BSD Consultants Pty Ltd.
- (5) Competition policy review of the taxi industry.
- (6) 3 June 1999.
- (7) No.
- (7) Lower priced tenders did not meet minimum standards.

- (2) Contract 228/98
- (3) \$7 700 000.00.
- (4) Holyman Shipping Service Pty Ltd.
- (5) Provision of a regular shipping service to the Kimberley region of Western Australia.
- (6) 12 May 2001.
- (7) No.
- (7) Highest ranking offer and best suited to provide the desired service.

- (2) Contract 303/98
- (3) \$186 072.00.
- (4) Gutteridge Haskins and Davey Pty Ltd.
- (5) Causeway detailed design and documentation.
- (6) 30 June 2000.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 302/98
- (3) \$2 256 805.00.
- (4) Marsh Earthmoving.
- (5) Construction of streetscape works in Perth City East end.
- (6) 30 June 1999.
- (7) Yes.
- (7) Not applicable.

- (2) Contract 18554
- (2) \$65 000.00.

- (3) MJ and MD Lawrie.
- (4) School bus service; transport of students.
- (5) 31 December 2000.
- (6) Yes.
- (7) Not applicable.

- (2) Contract 18555
- (3) \$212 000.00.
- (4) MJ & MD Lawrie.
- (5) School bus service; transport of students.
- (6) 31 December 2000.
- (7) Yes.
- (8) Not applicable.

- (2) Contract Road Safety
- (3) \$78 000.00.
- (4) Marketforce.
- (5) Advertising production.
- (6) 5 February 1999.
- (7) No.
- (8) CAMS contract 110697 - sole provider.

- (2) Contract E190
- (3) \$1 356 072.50.
- (4) WA Limestone.
- (5) Construction of cables artificial surf reef.
- (6) 17 May 1999.
- (7) No.
- (8) The tender from WA Limestone was the second lowest tender received. The other tender received was non conforming.

- (2) Contract E193
- (3) \$454 409.00.
- (4) Marine and Civil Construction.
- (5) Port of Broome - Inner berth fender system upgrade.
- (6) 5 February 1999.
- (7) No.
- (8) Lowest tender lacked experience in marine field and doubts existed over their financial capacity to execute contract of this size.

- (2) Contract E192
- (3) \$753 047.00.
- (4) Cays Engineering.
- (5) Port of Broome - Construction of floating berth.
- (6) 17 March 1999.
- (7) No.
- (8) Lowest tender lacked experience in marine field and doubts existed over their financial capacity to execute contract of this size.

- (2) Contract 88498
- (3) \$84 000.00.
- (4) BSD Consultants.
- (5) A Transport planning study for the Rockingham - Fremantle transitway.
- (6) May 1999.
- (7) No.
- (8) Best value for money.

#### Metro

- (2) \$74 146.00 (Transport's contribution to total contract value of \$117 468.00).
- (3) MPS Architects.
- (4) Provision of design documentation for a bus station and associated works at Curtin University which will form the specification for a construction tender and contract for the superintendence of the construction work on behalf of Transport and the University.
- (5) August 1999.
- (6) This contract was not tendered.
- (7) The contract was awarded to MPS Architects on a sole source basis because of the necessity for the University to maintain the services of the design concept architect, the work for the University being of a sensitive nature in regard to the impact upon the function of the University. The contract sum includes a sum of \$66 343 for MPS Architects for its work, the balance of \$51 125 is for specialist design work for civil, electrical and hydraulic engineering, quantity surveying and landscaping, which was tendered by MPS Architects with Transport and the University approving the briefs and evaluation processes, each consultant being appointed on a value for money basis.

#### Westrail

- (1) (a) Two.
- (2) (b) Three.
- (3) \$1 198 762.
- (4) Lakis Construction Pty Ltd.
- (5) Construction of pedestrian underpass.
- (6) 28 February 1999.
- (7) No.
- (8) The lowest tender received did not conform with the requirements of the tender.



- (2) Approximately \$400 000 per annum.
- (3) Expo Document Copy Centre (WA) Pty Ltd.
- (4) Printing Services.
- (5) 30 November 1999.
- (6) No.
- (7) The lowest tender demonstrated substantially lower capability, represented higher risk and did not represent value for money.
  
- (2) \$236 480.
- (3) Barclay Mowlem Construction Ltd.
- (4) Extension of sidings at Moora and Kwinana.
- (5) 9 December 1998.
- (6) No.
- (7) The lowest tender demonstrated substantially lower capability, represented higher risk and did not represent value for money.
  
- (2) Approximately \$26 million per annum.
- (3) BP Australia Ltd.
- (4) Supply of diesel fuel.
- (5) 5 November 2001.
- (6) Yes.
- (7) Not applicable.
  
- (2) \$130 276.
- (3) Meltech Pty Ltd trading as Tyson Precast Products.
- (4) Supply of precast concrete.
- (5) 14 November 1998.
- (6) Yes.
- (7) Not applicable.

#### DOMESTIC VIOLENCE PROGRAMS

2119. Ms WARNOCK to the Minister for Women's Interests:

- (1) How many programs for male perpetrators of domestic violence have been established in Western Australia?
- (2) How many perpetrators have attended them?
- (3) Has any study been carried out to determine the effectiveness of these programs?
- (4) If so, what are the results?
- (5) How many calls have been received by the phone-in line from men involved in domestic violence?
- (6) How many men have been counselled about domestic violence through Government sponsored services in the past 12 months?
- (7) What is the budget for perpetrator programs for the last 12 months?
- (8) How many "mandated" perpetrator programs are there in WA?
- (9) Are there any perpetrator programs specific to indigenous men?
- (10) If not, is there any plan to establish any?
- (11) What support services exist for women who are victims of domestic violence?
- (12) Does the Government have any way of monitoring the effectiveness of any domestic violence programs?
- (13) If so, what are they and what results have been shown?

Mrs PARKER replied:

- (1) The Domestic Violence Prevention Unit funds 6 services.
- (2) Number of consumers :
 

28/4/98 to 28/7/98	11
29/7/98 to 29/10/98	87
29/10/98 to 28/1/99	99
- (3)-(4) A review is currently being conducted of the 6 services.
- (5) From 26 August 1998 until the end of February 1999, 1849 calls have been received.
- (6) The Men's Domestic Violence Helpline has referred 336 men to perpetrator services.
- (7) The funds budgeted for the programs is \$342,000 per annum.
- (8) All perpetrator programs are able to and will accept 'mandated' referrals.
- (9) The programs are required to be culturally acceptable to indigenous men.
- (10) A pilot program specifically for indigenous men is currently being developed.

- (11) Women's refuges, victim counselling services, victim advocacy and referral programs, 24 hour telephone service (Crisis Care Unit). Key government departments provide services relevant to their role and function.
- (12) Government funds domestic violence services through contracts which require adherence to specifications that are designed to ensure quality outcomes for those affected by domestic violence. The paramount consideration is the safety of the victim.
- (13) The number of services provided across government and in the non-government sector that relate to domestic violence are too numerous to detail. All government funded services are regularly reviewed by the managing agency to ensure their performance is satisfactory.

#### GOVERNMENT DEPARTMENTS AND AGENCIES, CASH PROFILING

2141. Mr BROWN to the Minister for Family and Children's Services; Seniors; Women's Interests:

- (1) Has the Government/Under Treasurer introduced a new process of financial management incorporating cash profiling on a fortnightly basis for the whole financial year, and an exception-reporting mechanism against that profile?
- (2) Will the Minister provide all of the latest documents necessary to understand the profiling of the departments and agencies under the Minister's control?
- (3) If not, why not?

Mrs PARKER replied:

- (1)-(3) Please refer to the response to question on notice 2134 of 9 March 1999.

#### GRANT THORNTON, CONTRACTS

2220. Ms MacTIERNAN to the Minister for Family and Children's Services; Seniors; Women's Interests:

- (1) How many contracts have been awarded to Grant Thornton since 1 January 1997?
- (2) For each contract, will the Minister state -
  - (a) the project the contract was awarded for;
  - (b) the original contract cost;
  - (c) the actual final cost of the contract;
  - (d) the date the contract was awarded and the date it was completed; and
  - (e) whether the contract went out to tender, and if not, why not?

Mrs PARKER replied:

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

#### GRANT THORNTON, CONTRACTS

2231. Ms MacTIERNAN to the Minister representing the Minister for Transport:

- (1) How many contracts have been awarded to Grant Thornton since 1 January 1997?
- (2) For each contract, will the Minister state -
  - (a) the project the contract was awarded for;
  - (b) the original contract cost;
  - (c) the actual final cost of the contract;
  - (d) the date the contract was awarded and the date it was completed; and
  - (e) whether the contract went out to tender, and if not, why not?

Mr OMODEI replied:

The Hon Minister for Transport has provided the following response:

Main Roads Western Australia

- (1) Grant Thornton was engaged to review the methodology used to account for overhead costs. This engagement was later extended to include a review of the financial statements for inclusion in the 1997/98 Annual Report.
- (2)
  - (a) As above.
  - (b) \$19 200.
  - (c) \$49 787 to date.
  - (d) The review commenced on 16 June 1998 and is expected to be completed on 31 March 1999.
  - (e) Main Roads has been moving towards a more commercial approach. Part way through 1997/98 the procedures were simplified by the introduction of single corporate charging methodology. However, concerns raised in the Parliamentary Estimates Committee during the 1998/99 Budget Cycle and internal feedback, indicate that these arrangements were the cause of some confusion. As a consequence, the Commissioner of Main Roads decided to seek advice from Grant Thornton Consulting. Following their review, the methodology used to account for overhead costs has been changed.

## Department of Transport

(1) Two.

(2) Contract 153/98

(a) Provision of Services for the Review of Corporate Costs Centres.

(b) \$16 860.00.

(c) \$16 860.00.

(d) Contract Award Date: 11 June 1998.

(e) Completion Date: 10 July 1998.

(e) This contract did not go out to tender as it was under the Public Tender threshold. Under the State Supply Commission quotation policy four competitive quotes were called.

Contract 284/98

(a) Provision of Financial and Accounting Consultancy Services (PANEL CONTRACT).

(b) No cost as this contract has recently been awarded as a panel contract for use as required.

(c) Hourly rates.

(d) Contract Award Date: 3 February 1999.

(e) Completion Date: This contract is still current.

(e) This contract was advertised in the West Australian on the 24 October 1998.

## GOVERNMENT DEPARTMENTS AND AGENCIES, IMPACT OF GOODS AND SERVICES TAX

2264. Mr RIEBELING to the Minister for Family and Children's Services; Seniors; Women's Interests:

(1) Has the Minister received any written advice from any agency under his or her control on the impact of the Goods and Services Tax?

(2) If yes, when was this advice received?

(3) Will the Minister table this advice and if not, why not?

Mrs PARKER replied:

(1) I have received, in the normal course of events, advice from my agencies on the Commonwealth's tax reform proposals including the impact of the goods and services tax.

(2) This advice has been received since the release in August 1998 of the Commonwealth's "A New Tax System".

(3) The Premier released an analysis of the impact of tax reform on Western Australia on 6 September 1998. It is not normal practice to table advice, which is received on a whole range of matters, from agencies.

## GOVERNMENT DEPARTMENTS AND AGENCIES, LEVEL ONE EMPLOYEES

2297. Mr RIEBELING to the Minister representing the Minister for Transport:

In relation to the employment status of Level One employees of the agencies falling within the Minister's responsibility -

(a) what is the total number of Level One employees at each agency as at 9 March 1999; and

(b) of these employees, how many were -

(i) permanent full time; and

(ii) on short term contract?

Mr OMODEI replied:

The Hon Minister for Transport has provided the following response:

## Fremantle Port Authority

(a) 16.

(b) (i) Five.

(ii) Seven.

## Main Roads Western Australia

(a) 77.

(b) (i) 66.

(ii) Nine.

## Department of Transport

(a) 340.

(b) (i) 205.

(ii) 120.

## Westrail

(a) 34.

(b) (i) 32.

(ii) None.

## MINISTERS OF THE CROWN, FREE TICKETS TO SPORTING EVENTS

2320. Mr GRAHAM to the Minister for Family and Children's Services; Seniors; Women's Interests:

(1) Has any sporting club or organisation provided the Minister with free tickets to any major sporting events in Western Australia?

- (2) If so -
- (a) to which events were the tickets provided; and
  - (b) on how many occasions have tickets been provided?

Mrs PARKER replied:

- (1) All members of Parliament, and the Minister in particular, receive hundreds of invitations to attend sporting, arts and social events every year. Whilst the Minister tries to attend as many events as possible, regrettably this is not always possible.
- (2) (a)-(b) This information is not readily available. Provision of this information would require considerable research which would divert staff away from their normal duties and I am not prepared to allocate the State's resources to provide a response. If the member has a specific enquiry I will endeavour to provide a reply.

#### GREAT EASTERN HIGHWAY, MIDLAND-NORTHAM

2368. Ms MacTIERNAN to the Minister representing the Minister for Transport:

- (1) How much money has been expended on the Great Eastern Highway between Midland and Northam in -
  - (a) 1993-94;
  - (b) 1994-95;
  - (c) 1995-96;
  - (d) 1996-97;
  - (e) 1997-98; and
  - (f) 1998-99?
- (2) In respect of each of the above financial years who performed the work undertaken?
- (3) Is there any work planned for this stretch from the foot of Greenmount Hill to the Bellevue Bridge?
- (4) If so, when is that work likely to be undertaken?
- (5) When was work on the road between Sawyers Valley and Northam last undertaken?
- (6) Is there plans for any further upgrading of the road between Sawyers Valley and Northam and if so when is that likely?

Mr OMODEI replied:

The Hon Minister for Transport has provided the following response:

- (1)
  - (a) Approximately \$1 831 000.
  - (b) Approximately \$3 596 000.
  - (c) Approximately \$7 890 000.
  - (d) Approximately \$9 360 000.
  - (e) Approximately \$3 885 000.
  - (f) Approximately \$4 723 000 (to 24 March 1999).
- (2)
  - 1993/94 - Main Roads, Highway Constructions Pty Ltd.
  - 1994/95 - Main Roads, Highway Construction Pty Ltd.
  - 1995/96 - Main Roads, Ertech Pty Ltd.
  - 1996/97 - Main Roads, Transfield Pty Ltd, Ertech Pty Ltd, BGC Contracting Pty Ltd, MacMahon Contractors (WA) Pty Ltd.
  - 1997/98 - Main Roads, Transfield Pty Ltd, Ertech Pty Ltd, BGC Contracting Pty Ltd, MacMahon Contractors (WA) Pty Ltd.
  - 1998/99 - Main Roads, Transfield Pty Ltd, BGC Contracting Pty Ltd, MacMahon Contractors (WA) Pty Ltd.
- (3) Yes. Upgrading of Great Eastern Highway from Roe Highway to Scott Street providing a median island, exclusive turn lanes and sealed shoulders.
- (4) The project is dependent upon Federal funding as it forms part of the National Highway. The Federal Government has indicated that the necessary funding will be provided in 2000/01 and construction work is expected to commence in October 2000.
- (5) Sealing works were undertaken on various sections between Old Northam Road, Wooroloo and Linley Valley Road in November 1998.
- (6) Federal funding has been allocated over three years commencing in 2000/01 for the construction of a dual carriageway on Great Eastern Highway from Sawyers Valley to the Lakes. Other works proposed subject to the availability of Federal funding include improvements to various intersections between Wooroloo and Northam and reconstruction work at Clackline. The member may also be interested to know that preconstruction activities have commenced for a bypass on the northern side of Northam. It has a length of around 15.7 kilometres and contains eight major bridge structures. It is anticipated that land acquisition will be completed in the current financial year. The Federal Government has allocated funding over four financial years commencing in 1999/2000.

## GOVERNMENT DEPARTMENTS AND AGENCIES, CREDIT CARD USE

2414. Mr CARPENTER to the Minister for Family and Children's Services; Seniors; Women's Interests:

In relation to the use of Government credit cards -

- (a) have any credit cardholders either working in the Ministerial office or with a Department/Agency for which the Minister has responsibility used their cards -
  - (i) for personal use; or
  - (ii) to gain frequent flyer points; fly buys or similar benefits;
- (b) if yes, will the Minister provide details of this use;
- (c) if not, why not?

Mrs PARKER replied:

- (a)-(c) I refer the member to the answer to Assembly Question Without Notice 627 asked on 16 March 1999.

## EDUCATION DEPARTMENT, SOCIAL WORKERS AND SCHOOL NURSES

2448. Mr RIPPER to the Minister for Education:

- (1) How many social workers were employed by the Education Department in each of the last five years?
- (2) How many school nurses were employed by the Education Department in each of the last five years?

Mr BARNETT replied:

- (1) The Education Department has advised me that in 1995-1997 there were 11 Social Workers employed by the Department in social work roles. In 1998 there were 11 Social Workers, with nine employed as Social Workers and another two Social Workers employed in Student Services Management positions. In 1999 there are 11 Social Workers with eight as Social Workers, two working in Student Services Management and one in general administration. The Education Department has also employed numerous Social Workers on a three monthly temporary basis over this period as required.
- (2) None. School nurses are employed by the Health Department of WA.

## ROADS, ALBANY HIGHWAY, BEDFORDDALE HILL CONTRACT

2489. Ms MacTIERNAN to the Minister representing the Minister for Transport:

With regard to contract 64/96 awarded to Henry Walker Contracting Pty Ltd for Albany Highway at Bedforddale Hill -

- (a) what was the original contract cost of this contract; and
- (b) what was the budgeted cost of this contract in -
  - (i) 1996-97;
  - (ii) 1997-98; and
  - (iii) 1998-99,
- (c) what has been the actual expenditure on this contract to date; and
- (d) when is the contract set to expire?

Mr OMODEI replied:

The Hon Minister for Transport has provided the following response:

- (a) \$13 459 452.
- (b)
  - (i) Nil.
  - (ii) \$6 571 722.
  - (iii) \$5 716 828.
- (c) \$16 847 531 as at 29 April 1999.
- (d) Practical completion of the contract is 30 June 1999.

## PUBLIC SERVICE, APPOINTMENTS PURSUANT TO SECTION 64(1)(a) OF PUBLIC SECTOR MANAGEMENT ACT

2549. Mr RIPPER to the Minister representing the Minister for Transport:

- (1) At any time since 1994, has the Minister, or the Minister's office, requested the appointment of a person to the public service pursuant to section 64(1)(a) of the Public Sector Management Act 1994?
- (2) Were any of the people the subject of such a request actually appointed pursuant to the Act?
- (3) If so, for each such appointment, will the Minister specify -

- (a) the officer's name;
  - (b) their classification and position at appointment;
  - (c) the date their appointment took effect; and
  - (d) their relevant employing authority?
- (4) Were any of these officers subsequently seconded to work in a Ministerial office?
- (5) If so, for each secondment, will the Minister specify -
- (a) the officer's name;
  - (b) the classification and position to which the officer was seconded;
  - (c) the date this secondment was requested;
  - (d) the date this secondment took effect; and
  - (e) the Ministerial office to which the officer was seconded to?

Mr OMODEI replied:

The Hon Minister for Transport has provided the following response:

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

#### COUNTRY HIGH SCHOOL HOSTELS AUTHORITY, FEES, SALARIES AND BENEFITS

2573. Mr RIEBELING to the Minister for Education:

In relation to the country High School Hostels Authority Annual Report will the Minister explain the significant reduction in total fees, salaries and other benefits paid to accountable authority and senior officers in the years 1996-97 and 1997-98?

Mr BARNETT replied:

The reduction in the "salaries and wages" component of the Country High Schools Hostel Authority's Operating Statement is due to the clearance of a sizeable amount of accrued annual and long service leave. The \$6 100 drop in "Authorities members expenses" from 1996/97 to 1997/98 is due to travel expenses now being recorded under "other staffing expenses". The decrease in "other administration expenses" is attributed to the additional costs associated with the Authority's relocation in 1996/97.

#### EDUCATION DEPARTMENT, RECLASSIFICATION OF LABORATORY ASSISTANTS

2595. Mr RIPPER to the Minister for Education:

- (1) Is the Minister aware of widespread concern amongst Education Department Laboratory Assistants about the continuing failure of the Department to decide on their applications for reclassification?
- (2) Is it true that the Department has been considering this matter since April 1997?
- (3) If not, since what date has the matter been under consideration?
- (4) Why is the Department taking so long to resolve this matter?
- (5) Will the Minister intervene to require an urgent resolution?
- (6) If not, why not?

Mr BARNETT replied:

- (1) I am aware of correspondence which has been forwarded to me concerning the reclassification of Laboratory Assistants.
- (2) The Civil Service Association (CSA) filed an application with the Western Australian Industrial Relations Commission in April 1997 and subsequently served that application upon the Education Department.
- (3) Not applicable.
- (4) The Department is concerned to ensure that any reclassification of Laboratory Assistants is justified, based on work value grounds and does not produce inequities among Laboratory Assistants. Following the calling of an independent review, the Department received the consultant's report in February 1998. That Report has been the subject of assessment in schools on two separate occasions B the most recent being February/March 1999. The Department has been in discussions with the relevant Unions and advised the CSA on 17 March 1999 that it proposed to consider the reclassification of some Laboratory Assistants. Other claims could be referred to the Western Australian Industrial Relations Commission.
- (5)-(6) In these circumstances, I do not propose to intervene in the matter. Further, I refer the member for Belmont to the provision of section 8(2) of the Public Sector Management Act 1994 which clearly states that in matters of classification, departments are to act independently of Ministerial direction.

## DRUGS, USE BY PEOPLE UNDER 18

2623. Ms ANWYL to the Minister for Police:

I refer to recent research showing that the average age of heroin users in Australia has fallen from 26 years of age in 1996 to just 17.5 years of age currently and ask -

- (a) what specific strategies exist in Western Australia for intravenous drug users aged less than 18 years;
- (b) how will the recently announced Federal funding of \$2.1 million over 3 years be spent in Western Australia;
- (c) what services are provided specifically for young people aged under 18 in regional areas;
- (d) what age specific residential detoxification and rehabilitation facilities are available for young people in Western Australia; and
- (e) how will the Federal funding for the treatment of indigenous users be spent?

Mr PRINCE replied:

- (a)-(e) Intravenous drug users aged less than 18 years are a key focus of the *Drug Aware* illicit drug public education campaign on heroin and specific treatment services are established as outlined below. National Illicit Drug Strategy Funding recently announced by the Council of Australian Governments comprises \$111 million over 4 years to provide assessment, treatment and rehabilitation services to support police and court diversion. These funds will build on the existing treatment services infrastructure in the State to provide a substantially expanded capacity for assessment, drug withdrawal support, early intervention, day treatment, residential rehabilitation and pharmacotherapy. The specific allocation of funds will be determined in consultation with the Commonwealth. Community Drug Service Teams have substantially expanded the alcohol and drug services available throughout regional Western Australia. These teams have a specific focus on providing services to young people and their families including early intervention. Community Drug Service Teams are established in the Great Southern, the Goldfields, the Southwest, the Midwest, the Pilbara, the Kimberley and the Wheatbelt. Perth City Mission's *Yirra* programme provides low threshold detoxification in conjunction with residential rehabilitation, as well as day treatment and family support services. Perth City Mission's *On Track* programme provides a sobering up service in the inner city area and a link to continuing treatment. The Health Department's *Next Step - Specialist Drug and Alcohol Services* admits young people under 18 to its residential detoxification facility and is currently exploring how it can provide a more dedicated service in this area. Funding allocated under the National Illicit Drug Strategy has been allocated to the Warburton Community for residential programme for petrol sniffers and to Cyrenian House for an outreach programme to involve Aboriginal women in its day treatment and residential programmes for women and children. The WA Office of Aboriginal Health and the Commonwealth Office of Aboriginal and Torres Strait Islander Health are currently considering service developments in this State.

## SCHOOLS, CHILD CARE BEFORE SCHOOL

2648. Mr RIPPER to the Minister for Education:

- (1) Has the Education Department made representations to other Government agencies, State or Federal, seeking the provision of more places for the care of children before school hours?
- (2) If the answer to (1) above is yes -
  - (a) what approaches have been made; and
  - (b) with what result?
- (3) If no approaches have been made, why not?

Mr BARNETT replied:

- (1) No.
- (2) Not applicable.
- (3) Before school childcare is not the responsibility of government. Childcare facilities outside of school hours are the responsibility of private organisations which operate on a user-pays basis with some financial assistance from the Commonwealth Government towards establishment costs.

## GOVERNMENT DEPARTMENTS AND AGENCIES, LEVEL TWO EMPLOYEES

2773. Mr RIEBELING to the Minister representing the Minister for Transport:

In relation to the employment status of Level Two employees of the agencies falling within the Minister's responsibility -

- (a) what was the total number of Level Two employees at each agency as at 20 April 1999; and
- (b) of these employees, how many were -
  - (i) permanent full time;
  - (ii) permanent part time; and
  - (iii) on short term contract?

Mr OMODEI replied:

The Hon Minister for Transport has provided the following response:

Fremantle Port Authority

- (a) Nine.
- (b) (i) Nine.  
(ii)-(iii) Nil.

Main Roads Western Australia

- (a) 88.
- (b) (i) 81.  
(ii) Three.  
(iii) Four.

MetroBus

- (a) MetroBus has a total of three Level Two employees registered as "redeployees" as at the 20 April 1999.
- (b) (i) Three.  
(ii)-(iii) Not applicable.

Port Hedland Port Authority

- (a) Five.
- (b) (i) Four.  
(ii) One.  
(iii) Nil.

Department of Transport

- (a) 168.
- (b) (i) 135.  
(ii) 12.  
(iii) 21.

Westrail

- (a) 65.
- (b) (i) 64.  
(ii) Nil.  
(iii) One (less than 12 months).

#### EDUCATION SUPPORT SERVICES, FUNDING

2826. Mr BROWN to the Minister for Education:

Will the Minister ensure that additional funds are allocated to education support services ie; remediation, English as a second language specialists and school psychiatric services?

Mr BARNETT replied:

The Department recognises that all students have the potential to be at educational risk and that students may experience difficulties with learning due to a variety of factors. Students experiencing difficulties with learning may require additional support and assistance. \$3 million in additional funds have been allocated to districts in the 1999/2000 education budget. This is the second instalment in a four year program to ensure the provision of support to schools in addressing the needs of students at educational risk. In 1998, 158.4 Full Time Equivalent (FTE) was allocated to district offices for school psychology services. In 1999 the FTE has been increased by 5.8. In dollar terms, this increase approximates \$261 000.

#### BUILDERS REGISTRATION BOARD, CUSTOMER SATISFACTION SURVEYS

2833. Ms MacTIERNAN to the Minister for Fair Trading:

I refer to page 15 of the 1998 Annual Report of the Builder's Registration Board and ask the following questions concerning customer satisfaction surveys -

- (a) how many consumers who had lodged complaints against builders or with the Board were provided with survey forms;
- (b) how many builders were provided with survey forms;
- (c) how many consumers with complaints against builders indicated on survey forms they believed the service provided was impartial and how many indicated the service was not impartial;
- (d) who drew up the survey form;
- (e) who assessed the results of the survey;
- (f) will the Minister table -
  - (i) a copy of the survey form; and
  - (ii) a copy of the report prepared on the survey results?



Mr SHAVE replied:

- (a)-(b) All parties to a complaint have two opportunities to give the Board feedback in respect of how their complaint was dealt with by Board and Committee staff. Forms are sent to them -
  - After an inspection of the work when an Order to Remedy is made, and
  - After the complaint is finalised.
- In 1998 -
  - 552 feedback forms were sent to consumers and 552 feedback forms were sent to builders with the Orders to Remedy
  - 651 feedback forms were sent to consumers and 651 feedback forms were sent to builders when the complaint was finalised.
- (c) A total of 66 consumers indicated they were satisfied the service was impartial and 3 indicated they were not satisfied the service was impartial.
- (d) Dodd & Young B Human Resource Consultants in conjunction with Board staff. The Consumers Association of WA, Ministry of Fair Trading, Housing Industry Association and the Master Builders' Association were consulted and provided feedback.
- (e) A report was prepared by the Registration Manager for the Builders' Registration Board.
- (f) (i)-(ii) See paper No 987.

### QUESTIONS WITHOUT NOTICE

#### GOODS AND SERVICES TAX, IMPACT ON GAS PRODUCERS

##### 851. Mr THOMAS to the Minister for Energy:

Yesterday the minister claimed that the compromise on the goods and services tax favoured eastern States' coal producers at the expense of Western Australian gas producers. What action does the minister propose to take to defend the interests of this State's gas producers, and will he oppose the package unless this anomaly is removed?

##### Mr BARNETT replied:

I made that supposition yesterday. There is a lack of detail in what has been announced. There is a whole range of what I can describe only as confusing and ill-considered measures on energy and the environment.

Dr Gallop: All agreed by Prime Minister John Howard.

Mr BARNETT: Yes. A number of aspects concern me, one in particular is the point of the question. There is talk of an environmental trigger on major projects in relation to greenhouse gas emissions; in other words, another level of environmental assessment. If members are willing to accept the Kyoto protocol, and the view that greenhouse gas emissions are a problem and that the energy sector is a major contributor, and if we then look at the total life cycle of a form of energy, we will see that gas produces about half of the greenhouse emissions compared with coal.

There is a great difference in where those emissions occur. Gas emissions occur essentially at the point of liquefaction; that is, at the source. It may occur in any reservoir where CO<sup>2</sup> is emitted into the atmosphere, which should not happen, but it could. Coal produces very few emissions when mined, but it produces large amounts of emissions when consumed in power generation. Put simply: In the total generation cycle, gas produces half the greenhouse emissions of coal. The difference is the greenhouse emissions from gas occur within Australia - Australia is a major coal and gas producer - not overseas where the pollution problems are most severe. With coal, the greenhouse problems do not occur in Australia, but overseas where the coal is burnt and the emission problems are greater. If we put in place an environmental trigger on major projects in this State, the gas projects, not the coal generation projects, will be stopped. It will act exactly countercyclical to reducing global greenhouse emissions. It is nonsensical and not thought out. Surely it is about time we had some meaningful debate on this issue if we are to take the Kyoto protocol seriously.

#### GNANGARA FOREST, REVEGETATION

##### 852. Mr BAKER to the Minister for the Environment:

I refer to the State Government's election promise during the lead-up to the 1996 state election campaign to remove pine trees from the Gnangara forest and revegetate the area. Can the minister provide a brief progress report concerning the implementation of this important election commitment and its impact on the ground water table in the general area?

##### Mrs EDWARDES replied:

I thank the member for some notice of this question. On 20 May this year I launched a concept plan for the Gnangara park - it is quite an exciting concept - picking up on four primary values: Heritage, education and interpretation, resources and

nature conservation. The pines will be removed over 20 years, and that will occur in conjunction with the Water and Rivers Commission, according to development. I am pleased to be able to table copies of the concept plan that has been released at the beginning of a public consultation period of four months. I hope all people in the area will attend one of the open days and take up the opportunity to put forward submissions.

[See paper No 988.]

#### GOODS AND SERVICES TAX PACKAGE, PREMIER'S SUPPORT

##### 853. Dr GALLOP to the Premier:

I refer to the huffing and puffing of the Premier about the compromise on the goods and services tax negotiated between his federal colleagues and the Australian Democrats. What specific changes to that package will be necessary before the Premier can support it, and are any elements so reprehensible that they will not be accepted by the Government under any circumstances?

##### Mr COURT replied:

Unlike members of the Labor Party, if we do not like a proposal that comes from a Federal Government, whether it be Labor or coalition, we say so.

Dr Gallop: That is the huffing and puffing bit. Let us get onto a number of issues.

Mr COURT: No, it is not. On a number of issues we have made it clear that it would be in the best interests of Western Australia for some things to be done differently. It does not matter whether it comes from a Labor Government or a coalition Government. I saw a Labor Party in government federally for 12 years. During that time I also saw a Labor Party in government in this State for 10 years. That Government remained silent while the Federal Government took more and more of this country's tax collections and gave less and less back to the States. I will send a copy of the graph over to the Leader of the Opposition. It shows that Federal Governments under the Labor Party were prepared to take record shares of the total tax collections, and that trend reversed only when a coalition Government came into power. The first point I make is this: For 12 years there was a Labor Party in Government federally, and members opposite sat silent. They are now saying that the status quo is better than the arrangement being presented by the coalition Government which was negotiated with the Australian Democrats; that it is better for us to have a narrow revenue tax base, without incentives flowing through to the export sector.

Dr Gallop: The Premier is misrepresenting the position.

Mr Baker: What is their tax package?

Mr COURT: The member should not bother asking them that. In 1985 Mr Keating, Mr Beazley and Mr Hawke all said there was only one way to bring about -

The SPEAKER: Order! I allow a lot of interjecting, particularly from the member who asked the question and also when it is relevant. It is unacceptable to have members on my left muttering things which have nothing to do with the question being answered. I refer in particular to the member for Burrup.

Mr COURT: At that time those people said there was only one path to go down to bring about meaningful tax reform in this country and that was to have a broad-based goods and services tax.

Dr Gallop: Give us the answer to the question.

Mr COURT: I will get to that answer. We must ask whether the Labor Party in 12 years in government had the political courage to address taxation reform, and the answer is no. The Federal Government has the constitutional powers in relation to consumption taxes; we do not. The rulings of the High Court of Australia have now stopped the States from collecting those revenues. If the Leader of the Opposition wants to ask whether the revised package is better for the State than the status quo, the answer is that it is.

Dr Gallop: That was not the question.

Mr COURT: Yes, it was. The Leader of the Opposition asked whether I support the package. I have told the House that as much as I do not like the changes, the package will put the State in a better position in the longer term. The answer is simple because the State does not have the constitutional power to access a growth revenue based on a consumption tax.

Several members interjected.

Mr COURT: In answer to the Leader of the Opposition's question as to what I do not like about the new goods and services tax package and what I would like changed, I tell the House that I appreciate a Federal Parliament has the constitutional power to bring about tax changes which affect consumption taxes because we, as a State Parliament and a State Government, cannot bring about those changes. I also believe that separate from a Federal Parliament which can bring about those changes, a Federal Government has a moral responsibility to look after the States' interests. However, I take exception to the Australian Democrats devising a package which on one hand changes the tax package and on the other incorporates a wish list of issues, many of which have nothing to do with tax reform or commonwealth-state financial arrangements. I take exception to a Federal Government bringing about changes which will trigger greenhouse emission controls when they have nothing to do with this tax debate. Similarly, the changes which will affect power generation in remote areas are

unbelievably politically stupid. Members opposite do not mind asking the Government what it will do. We have a coalition Government which is prepared to reform the wholesale sales tax system and give States access -

Mr Kobelke: And take more power to Canberra.

Mr COURT: No, my friend has missed the point. I said Canberra has all the power.

Mr Kobelke: No, own state revenue goes from 56 per cent down to 42 per cent. You are giving them more power over the State.

Mr COURT: Tongue in cheek I will ask whether the learned member opposite who is interjecting can explain whether the State has a constitutional power to collect consumption taxes.

Mr Kobelke interjected.

Mr COURT: Talk about huff and puff. The point we are making is the State does not have the constitutional power to collect those taxes.

The SPEAKER: Order!

Mr House interjected.

The SPEAKER: Order! The Minister for Fisheries is in great danger. The standing orders say thou shall remain quiet when the Speaker is on his feet. I have risen to my feet because I have been too generous. My allowing interjections and the Premier taking them means that many unofficial questions are being asked. If the member for Nollamara wants to ask questions and pursue the issue, I will give him the call to ask his question if he stands up and seeks it next time. While I allow the big issues of the day to take a lot of time during question time, we cannot waste it with three or four questions taking seven or eight minutes each. Everyone wants an opportunity to ask questions and that is the philosophy behind question time.

Mr COURT: As a State Government we have a responsibility to support tax reforms which will make our export industries more competitive. We have a responsibility to get this State access to a genuine growth revenue. Constitutionally, we have only one major source.

Mr Graham interjected.

The SPEAKER: Order, member for Pilbara!

Mr COURT: We can get access to income taxes.

Several members interjected.

The SPEAKER: Order! I formally call the member for Pilbara to order for the first time.

Mr COURT: Our preferred position was to have access to a component of income tax with the Federal Government retiring from that section and giving the States a share of a broad-based GST. The Constitution says that the States cannot collect broad-based goods and services taxes. Therefore, the Federal Government said it would give the States access to all, not just a part, of those revenues. I see two issues coming out of the changes to the GST. First, the complexity of exempting an area like food will make the tax a nightmare for many small businesses. I would much prefer to see a simpler, purer form of GST. Secondly, in the future it will place more pressure on the Federal Government to use specific purpose payments to exert more control over the States. What I see in the part of this deal not directly relating to taxes and commonwealth-state financial arrangements is a commonwealth bureaucracy starting to interfere and use environmental issues to directly affect the future development of this State. I have written to the Prime Minister today taking exception in the strongest possible terms to those issues being used as a negotiating tool in a tax reform debate.

#### GOODS AND SERVICES TAX PACKAGE, STATE TREASURY ANALYSIS

##### **854. Dr GALLOP to the Premier:**

I have a supplementary question. Will the Premier table his state Treasury analysis of the Howard-Lees goods and services tax package?

##### **Mr COURT replied:**

The Under Treasurer returned last night from meetings about the proposals with other under treasurers. I am prepared to table the preliminary analysis when I get it. The detailed analysis has some way to go.

#### SHIRE OF WANNEROO, CITY DESIGNATION

##### **855. Mr MacLEAN to the Minister for Local Government:**

The Shire of Wanneroo has requested an order be made designating it as a city. As the local member I have been pleased to support the shire in its request. Will the minister advise the House of the progress of consideration of that request?

##### **Mr OMODEI replied:**

I thank the member for some notice of the question and for his continuing interest and support of the shire in this important issue. The member for Wanneroo is probably one of the best grassroots members of Parliament in this place.

By way of some background, when the Government decided to split the City of Wanneroo, it deemed the best way to do that and distribute the assets was to call the part of the city which is now the shire, the Shire of Wanneroo. Otherwise it would have been very difficult to delineate in transferring assets from the City of Wanneroo to another city of the same name. As many members would know, the shire has some 65 000 residents and is growing. It certainly has the numbers to justify it being called a city. On the basis of the commissioners' decision, I have approved the shire's request and propose recommending to the Governor that he make such an order. I expect my recommendation to be considered and if it is approved by the Governor in Executive Council, I anticipate the change being gazetted by the end of June this year.

#### DE FACTO RELATIONSHIPS, PROPERTY RIGHTS

##### **856. Dr GALLOP to the Premier:**

- (1) Is the Attorney General correct when he states that the party room of the Liberal Party has thwarted repeated attempts to get approval for legislation to protect the property rights of de facto couples?
- (2) Was the Attorney General's planned legislation rejected by the same group of backbenchers whose rejection of a range of promised Bills demonstrates that the Premier has lost the will to govern while still some 18 months out from the next election?

##### **Mr COURT replied:**

- (1)-(2) The Leader of the Opposition can make that judgement in 18 months. I do not know if our party room works differently from the Labor Party's.

Dr Gallop interjected.

The SPEAKER: Order, Leader of the Opposition!

Dr Gallop: Nothing is happening.

The SPEAKER: Order! I have been very lenient with the Leader of the Opposition for many weeks. I asked him to come to order and he did not do so. I now formally call the Leader of the Opposition to order for the first time.

Mr COURT: I will provide the following guarantee to the Leader of the Opposition. We will give him the opportunity over the next 18 months to vote on so many exciting initiatives by this Government that he will be able to be solidly negative for all that time. The test will be whether the Leader of the Opposition is prepared to support the exciting initiatives that we will put in place in the next 18 months or whether he will remain in negative mode.

#### DE FACTO RELATIONSHIPS, PROPERTY RIGHTS

##### **857. Dr GALLOP to the Premier:**

As a supplementary question, does the Premier support legislation to protect the rights of de facto couples in Western Australia?

##### **Mr COURT replied:**

There has been debate on that issue in our party room for several years.

Dr Gallop: Several years!

Mr COURT: There was debate on the issue in Caucus for 10 years, and Labor members would not bring about changes to the legislation. In 10 years they would not address the issue. The proposals that have been brought forward have not had the support of the joint party room.

#### WESTERN AUSTRALIAN CITIZEN OF THE YEAR AWARDS, RECIPIENTS

##### **858. Mr OSBORNE to the Premier:**

Who were the recipients of the Western Australian Citizen of the Year awards which were presented last night as part of our Foundation Day celebrations?

##### **Mr COURT replied:**

Yesterday was Foundation Day, and at the Foundation Day dinner last night, Citizen of the Year awards were presented. With the Leader of the Opposition, I had the privilege of being at that presentation. The recipients of the awards are certainly very worthy. For the first time in the history of the awards, Professor Fiona Stanley won two awards - one for community service and one for the professions. Clare Tonkin was honoured with the youth award. Madam Kira Bousloff was honoured for her contribution to the arts. It was magnificent to see her there last night; she is not in good health. John Rothwell, the founder of the successful Austal Ships Pty Ltd, won the award for industry and commerce. Yvonne Rate won an award for her contribution to sport. Young musician Kathryn James received the youth arts award. Professor Max Kamien was honoured for his work in improving health care in regional Western Australia. The Royal Flying Doctor Service was honoured for 77 years' service to the community.

As it is a special year in respect of natural disasters this year, a Spirit of WA award was given to several organisations that worked to assist in that respect. I will not read out all their names. More than 600 people attended that function last night, many of whom had been nominated for awards. I am sure the Leader of the Opposition will agree that it was a tremendous privilege to be there. I congratulate those people on receiving those honours.

## AUSTRALIA CLINIC, TOUR OF INDIA AND PAKISTAN

**859. Mr McGINTY to the Minister for Health:**

- (1) Did the minister recently tour India and Pakistan with an organisation known as the Australia Clinic?
- (2) In relation to the minister's tour -
  - (a) how long was it;
  - (b) who participated; and
  - (c) what was the total cost to taxpayers?
- (3) Was the object of his visit to encourage wealthy Indians and Pakistanis to come to Western Australia as paying patients at our public hospitals?
- (4) Is there any humanitarian dimension to the Australia Clinic, such as offering free medical assistance to the poor in those countries?

**Mr DAY replied:**

- (1)-(4) I thank the member for some notice of the general subject of this question. I did visit parts of India - specifically Mumbai - and Pakistan from Tuesday, 27 April to the very early hours of the morning of Wednesday, 5 May, when we arrived back in Perth. The organisation with which I travelled and of which I led the delegation was the Australia Clinic, which is a unit of the Health Department of Western Australia. It was established in its current form about three years ago to promote Western Australia's health care services. A variety of services are marketed to South East Asian countries and now broader Asian countries, including India and Pakistan. In the past couple of years the focus has been more on countries such as Malaysia and Indonesia, but with the downturn in the economies of those countries, there has been a focus on India and Pakistan in more recent times. It is correct that an increasing number of people in those countries, given their large populations and growing middle classes, have the means to travel abroad for specialised medical treatment. At the moment they generally travel to the United States of America or to Great Britain for that treatment. There is absolutely no question in my mind that the services that can be offered here in Western Australia are every bit as good as can be offered in those more traditional markets. Certainly, there is much opportunity for Western Australia to participate in those markets and to export medical and health care services in a range of areas that will be of benefit to the economy and to the people of Western Australia.

As to who participated in the travelling group, apart from me, it included Dr Gareth Goodier, Chairman of the Board of the Australia Clinic and Chief Executive of Royal Perth Hospital; Ms Naomi De Argaugo, who at that time was Director of the Australia Clinic, but she recently left to take up another position; Dr Miles Beaman, Director, Infectious Diseases Department, Fremantle Hospital; Ms Angela Galvin, International Liaison Officer, the Australia Clinic; and Robert Reid, chief of staff in my office. The estimated cost of the trip for those members and me is in the vicinity of \$52 000. Not all detailed accounts have yet come in, but the cost will be of that order.

In addition to those people in the group, there were four other clinicians: Dr David Joske, Head of Haematology and Medical Co-director, Cancer Clinical Service Unit, Sir Charles Gairdner Hospital; Dr Richard Herrmann, Head of Department, Clinical Haematology, Royal Perth Hospital; Dr Arlene Chan, consultant medical oncologist, Royal Perth Hospital and a specialist in the treatment of breast cancer in particular; and Mr Neville Knuckey, Head of Department, Neurosurgery, Sir Charles Gairdner Hospital. The costs for those four clinicians were paid from hospital trust funds and are not included in the \$52 000 that I mentioned.

In addition, Dr Bruce Bellinge, who is a reproductive biologist from the Concept Fertility Centre, travelled with the party for part of the trip, but he paid his own way, as he was acting in a private capacity. In fact, recently he was involved in setting up a joint venture in Karachi to provide fertility treatment to people who need it.

I could provide much more detail, but I shall conclude in response to the question about humanitarian aid being provided. The medical services that are provided are in receipt of fees. People who come to Western Australia and receive that treatment pay full fees. Obviously, there is an income to hospitals that provide treatment, whether it be private hospitals or public hospitals in Western Australia. Income is received by the clinicians, of course, and some income is also provided to cover the costs of the Australia Clinic. In net economic terms it is of benefit to Western Australia. There are some humanitarian aspects to the relationships that are being established. I have in mind in particular the memorandum of understanding that was signed with the Shakout Khanum Memorial Cancer Hospital in Lahore, Pakistan, which was established primarily through the efforts of Imran Khan. He and his supporters have done a magnificent job at that hospital. I hope that there will be the exchange of information and the provision of advice to that hospital, just to give an example.

## DIESEL FUEL EXCISE CHANGES, IMPACT ON ELECTRICITY GENERATION

**860. Mr SWEETMAN to the Minister for Energy:**

I refer to the recently announced changes to the commonwealth tax package, and in particular the decision to retain the excise on diesel used for power generation. Will the minister explain to the House what impact these changes will have on the generation of electricity in remote regional areas of Western Australia and how useful the 50 per cent cash rebate for renewable remote area generating systems will be?

**Mr BARNETT replied:**

I thank the member for the question, because Ningaloo is one of a number of electorates in which power generation, availability and price are major issues. What happened in this State with our 29 remote regional power stations which operate on diesel was that the outgoing Keating Government in its 1995 budget introduced an excise on diesel used in power generation. Unfortunately, despite representations from this State, the Howard Government maintained it. Mark I of tax reform promised to remove that; mark II, to use the Leader of the Opposition's term, the Howard-Lees package, has reinstated it. For example, it costs the State and Western Power 29¢ a unit to produce electricity for the town of Broome. Under long-standing policy, power is sold to household consumers for 12¢ a unit and business consumers for 16¢ a unit. In other words, every time someone turns on a light, or more appropriately an airconditioner, other people - that is, the consumers in Perth essentially - pay a cross-subsidy for it.

Mr Bloffwitch: And Geraldton.

Mr BARNETT: Yes, Geraldton.

Dr Gallop: And so they should.

Mr BARNETT: That happens and that is accepted. However, the excise added a component of 8¢ a unit to the cost of generating electricity. Therefore, Western Power's losses on the regional system went from around \$20m to in excess of \$40m. That was a terrific bit of federal policy in supporting regional development. It doubled the loss on regional power systems. Under this scheme, this absolute bit of brilliance that has come out of Canberra -

Dr Gallop: What was that? Just keep going. Start warming up a bit.

Mr BARNETT: I intend to. The Federal Government has said that it will retain the excise on diesel used for power generation. The next part of the Prime Minister's letter is the great bit. It is the bit of which Sir Humphrey Appleby would be proud. The Federal Government will maintain this tax on regional power in regional Australia, particularly in Western Australia - it is not a problem for the other States - and will use the funds to finance special purpose payments for the States. To be eligible for this program, the States will have to commit to continue to cross-subsidise remote power costs for domestic users. I do not know about business; it does not rate a mention. In other words, the Federal Government will tax the States and then Sir Humphrey in Canberra will take the money and perhaps give it back, but perhaps give it to anyone else as well. A lot of it will go to remote power schemes which already operate in this State, or to private sector power projects. In this State we are going through the process of actually solving the problem and getting private power generation into regional areas. What will happen? Will those areas get the rebate? Will the State get the rebate? Will Western Power get the rebate? This is Sir Humphrey Appleby par excellence. It is nonsense.

#### HEROIN USE, HARM MINIMISATION

#### **861. Mr CARPENTER to the Minister for Family and Children's Services:**

In light of the minister's highly critical and absurd comments about harm minimisation, is it the Government's intention to introduce a program similar to the Victorian Government's policy of diverting heroin users found in possession of personal quantities of illicit drugs into rehabilitation programs as opposed to charging them with a criminal offence?

**Mrs PARKER replied:**

I thank the member for the question. As to the diversion of drug offenders and drug users into the system, the commitment of the Government is to more effectively engage drug users in treatment. I said at the public forum last week that a feasibility study into a drug court has been undertaken. That study has been completed and is now with the Attorney General to work out the details of how a drug court might be introduced into Western Australia.

Mr Carpenter: I am not asking about a drug court. If I wanted the minister to talk about a drug court I would ask about it. This is something different and you know it. Answer the question.

Mrs PARKER: With regard to those heroin users in this State, the member for Willagee asked whether we would move down the path of a cautioning system, which would in fact be a decriminalisation of heroin possession and use. The answer to that question is no. The Government will continue with the present legislative arrangement. With the introduction of the drug court, we will see a far more effective channelling of drug offenders into treatment using the drug court process.

I also refer to the process with the cannabis cautioning system. That has not effectively decriminalised cannabis use. That caution is available to a first-time offender who meets certain requirements and who also attends a mandatory intervention program. If the person chooses not to go through that process, the criminal charge will be proceeded with. It is important. Our goal in all of that was to far more effectively net users into treatment and into an intervention which would perhaps better explain the harms and the options open to the user. We are still going through that 12-month trial. It will be completed at the end of the year, and we are very interested in the outcomes of that trial. However, we will not be going down the Victorian road on heroin.

The SPEAKER: Before I make a statement on relevance, I remind ministers and members that the television cameras which focus on them when they either ask or answer questions are not programmed for some events of which people in the House are aware. That is why we want members to direct questions to specific ministers. The people in the television control room will then know exactly where to focus their cameras.