

Legislative Council

Thursday, 2 May 1996

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

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Paper

HON MAX EVANS (North Metropolitan - Minister for Finance) [2.32 pm] - without notice: I move -

That pursuant to Standing Order No 49(c), the Legislative Council take note of tabled paper No 265 (Consolidated Fund Estimates 1996-97) laid upon the Table of the House on 2 May.

This motion enables the Legislative Council to examine and debate the budget papers associated with the Appropriation Bills which are now before the Legislative Assembly. The Treasurer's budget speech accompanying the budget papers provides the economic and financial framework of the 1996-97 Budget. I do not propose to cover that ground in detail again. However, it may be said in summary that the State's finances have now been restored to a strong position. As a result of the Government's good financial management over the past three years, the final burdens of WA Inc can now be lifted from all Western Australians. Moreover, through good financial management, the Government is now able to begin delivering social dividends for the people of Western Australia.

Key Achievements

The key achievements of this Budget include -

- the Budget is in balance for the third year in a row, and the forward estimates are also in balance;
- a successful debt reduction strategy has freed up valuable money for use in well-targeted areas of social need;

- the outstanding cash deficiency in the compulsory third party insurance fund will be cleared and, from 1 August 1996, those motorists who have been paying the charge will no longer pay the \$50 impost. The deficit in the fund at 1 August 1996 is estimated to be \$75m and will be cleared by a payment from the consolidated fund this year. With the removal of this impost, Western Australians will have among the lowest premiums in Australia;

- our policies have been endorsed by a leading rating agency and Western Australia is on a positive credit watch towards regaining AAA status;

- for the fourth consecutive year, the Budget delivers tax relief measures; and

- it provides significant increases in expenditure in the core service areas which, over the past two years, has seen Health up by 11.7 per cent; Education up by 13.9 per cent; Disability Services up by 23 per cent; and Police up by 30.1 per cent. These are the major social dividends which are now being delivered as a result of the Government's policies.

Commonwealth-State Financial Relations

The State Government is hopeful that the recent election of a new Federal Government will herald significant changes in commonwealth-state financial relations. For its part, the Commonwealth has announced that it intends to make substantial reductions to expenditure. The Premier, together with his counterparts in other States and Territories, has urged the Commonwealth to examine its own expenditures critically and not attempt to solve its problems by cutting payments to the States. The previous Federal Government allowed wasteful duplication and excessive bureaucracy in relation to tied grants to grow unchecked and we fully support the new Federal Government's intention to reduce duplication and overlap and to allow the States more flexibility to use grants to meet their needs more effectively.

Commonwealth expenditures spiralled out of control during the 13 years in which the Federal Labor Government was in power. Over this period, the Commonwealth increased its own expenditures by a massive 44 per cent in real per capita terms, while payments to the States fell 5 per cent in real per capita terms. The Commonwealth must look to put its own house in order as this State has done. Should the Commonwealth decide, as part of its proposed \$8b expenditure reductions, to reduce or eliminate specific commonwealth programs which are delivered through state agencies, those programs will be reduced accordingly. The State will have no option in this regard.

The 1995-96 Budget Outcome

The Government will again deliver a balanced Budget outcome for 1995-96, the second year in a row that the Budget has been in balance or better. This is an outstanding achievement by any measure and is proof of the Government's commitment to sound financial management. Revenue is expected to be some \$866m above the 1995-96 budget estimate. Of this amount, \$600m represents that proportion of the \$900m proceeds from the sale of BankWest which was credited to the consolidated fund and used for repayment of that fund's debt. The balance of the \$900m not credited to the consolidated fund was primarily used to eliminate the debts of R & I Holdings.

Recurrent receipts are expected to be some \$240m, or 4 per cent above the budget time estimate. On the expenditure side, the application of the BankWest sale proceeds to debt reduction accounts for a large part of the additional 1995-96 capital outlays. Recurrent outlays are expected to be \$271m above the budget estimate. This amount includes the special funding of \$108m inclusive of commonwealth programs to the Health Department, together with the payment of around \$75m to the compulsory third party insurance fund. Full details of the estimated outcome for 1995-96 are included in the budget papers.

The 1996-97 Budget

The 1996-97 Budget is in balance with both expenditure and revenue estimated to be \$6 925.7m.

Revenue

Growth in total consolidated fund revenue in 1996-97 is estimated to be only 0.5 per cent in real terms, well below expected growth in the economy. This is despite the strength of the State's resources sector, with solid growth expected in petroleum, iron ore, alumina and nickel royalties. The major revenue constraint is the expected nominal reduction in our commonwealth financial assistance grants. Nevertheless there are no increases in tax rates in this year's Budget. This will help to ensure that taxes as a percentage of the total state economy remain the lowest of all the States, as currently reflected in comparisons compiled by the Australian Bureau of Statistics. In fact, the Budget includes some important tax relief measures to help reduce the burden of taxation on businesses and thereby stimulate further economic growth.

Payroll Tax

This year's Budget includes a further increase in the small business wages exemption threshold, from the current \$600 000 to \$625 000. The threshold has now been increased by \$250 000 in four years, exempting 1 600 employers. The other wages thresholds below which concessional tax rates apply will be increased proportionally, benefiting another 4 800 small to medium size businesses. The saving to businesses is estimated to be \$3.5m in a full year. In addition, the Government will -

- provide an exemption for certain fringe benefits paid by employers to employees in remote areas; and

- broaden the current exemption for wages paid to trainees employed under the Australian traineeship system.

Stamp Duty

The Government will legislate to exempt corporate reconstructions from stamp duty, subject to certain conditions being met by the companies concerned. Corporate reconstructions generally involve transfers of property between commonly owned companies, such as a parent company and a subsidiary. There is little or no change in the underlying ownership of the property, and the stamp duty can be a major barrier to the reconstruction proceeding.

The purpose of the exemption will be to facilitate a more efficient ongoing structure for a company group. It is not intended to apply to reconstructions for the purpose of stripping the assets of previously unrelated companies or for packaging group assets for on-sale to unrelated parties. A draft of the legislation to give effect to the exemption will be circulated to industry for comment prior to implementation. Subject to this consultation, the target implementation date is 1 October 1996.

Land Tax

As was the case last year, the Government will amend the land tax scale to reduce the land tax rates. The main aim is to reduce the additional burden on businesses, or individuals, who would otherwise be pushed into a significantly higher tax bracket as a consequence of an increase in the value of their landholdings. The new scale will apply to all 1996-97 land tax assessments and is expected to reduce the impact of land tax by \$11.5m per annum compared to what it would have been if land tax rates had remained at the 1995-96 levels.

In addition, the Government will legislate to address a growing problem for primary producers in the metropolitan region who fail to qualify for a primary production exemption from land tax due to a failure to meet the current income test. Subject to certain conditions, genuine primary producers in the metropolitan region will be eligible for a 50 per cent concession on their land tax bill. Furthermore, the Government will extend the primary production exemption from land tax to include land used solely or principally for the breeding of horses.

Debits Tax

The Government will also broaden the range of charitable organisations eligible for relief from debits tax. This measure will correct an anomaly under which some charities eligible for relief from financial institutions duty and stamp duty on cheques are not eligible for relief from debits tax.

Outlays

Within the constraints of the Government's commitment to balance the books, this Budget provides for very significant real increases in expenditure in the core areas of government responsibility such as education, health, community welfare and law and order.

The reinvestment of savings in debt servicing costs which are a direct result of the sale of BankWest and other debt reduction measures makes a significant contribution to the financing of these expenditure increases, as does the Government's priority of carefully managing the administration costs of government.

Health

The unprecedented growth in demand for health services in Western Australia is being answered by a further increase of \$50m. This makes a total of \$159m of additional funding provided for health services since April. The Government will maintain its long term commitment to providing first class services and facilities despite the growing pressures on the health system. As part of this long term commitment, the Government is providing \$15m in this Budget in a two year strategy to reduce waiting lists in our public hospitals by 50 per cent.

Specific attention also will be paid to the needs of the mentally ill through a \$40m program over the next three years. This year \$6m will be spent to follow up the recommendations of the Ministerial Task Force on Mental Health and to implement the state mental health plan. This will enable the Health Department to employ more mental health staff, including psychiatrists, and to provide community-based services across the State.

Consistent with the Government's asset rationalisation scheme, the health sector will also benefit from further investment in health infrastructure as proceeds from the sale of assets are realised.

Education

The Education Department's budget has been increased by \$82.6m to \$1.27b in 1996-97 which indicates the importance the Government places on the education of Western Australian children. Highlights include -

- additional funding of \$6.6m will be provided to improve the computer technology available to our students;

- an additional 127 teaching and support staff will be appointed in 1997 to meet increased enrolments in primary and secondary schools;

- another 6 000 places will be made available in the full time preprimary program throughout the State which will result in more than 80 per cent of those eligible being offered full time preprimary education;

- over and above the significant increase in maintenance funding announced in 1995-96, a further increase in the contribution to the school maintenance program by \$6m over the next two years. By the year 2000, \$51m will be spent annually on school maintenance.

In addition to addressing the needs for new schools, there is a strong focus within the capital works program on upgrading existing schools, particularly secondary schools.

Disability Services

The State Government will continue to honour its commitment to people with disabilities with an allocation for growth in this Budget to expand services. The Disability Services Commission will receive \$118m - \$18m more than in 1995-96. We have pledged a package which will spend an additional \$125.5m over a five year period, which is the most significant and sustained boost to funding for disability services provided by any Government in Western Australia. More importantly, this will make a real difference to people with disabilities by addressing shortfalls in accommodation, family support, respite, therapy and professional services and specialist equipment. Funding for accommodation services will increase from \$82.5m to \$92.6m. More than 2 700 people will receive support under these programs.

This five year package also includes funding for the post school options program for school leavers with disabilities. These young people, like all young people, deserve opportunities for personal development and participation in community life. In 1996-97 we will make \$680 000 available for community access programs for school leavers with disabilities, a move that no other State has equalled.

Police

Rebuilding and re-equipping the Western Australia Police Service is again a priority during 1996-97 for this Government and a total budget allocation of \$369.7m - which represents a \$43.8m increase over last financial year - will enable this ongoing process to continue. Through this financial commitment and key programs, like the devolution of policing through the Delta program, this Government is determined to assist and support our police officers to deliver the level of service the community needs and has a right to expect. There is an extensive \$23.9m capital works program planned for 1996-97 which includes the building of new police stations in Belmont, Australind, Kununurra, Halls Creek and Roebourne, and a new district complex at Cannington. This Government is committed to putting more officers out in the community - on the streets. The ongoing program to recruit 500 additional police and the civilianisation of 300 nonoperational positions will continue. In 1996-97 the Government will complete its program to provide 800 extra police in its first term of office.

In the fight against crime and drug abuse, police need community support. The establishment of the Crime Prevention Unit creates an important liaison and reference point to foster ongoing anticrime initiatives. The allocation of \$500 000 will help continue the important work this unit is achieving in cracking down

on crime. Equally, drug abuse is a major social problem and the WA Drug Abuse Control Strategy will continue to be implemented during 1996-97. The Government is committed to providing strong leadership and working with the community in its opposition to all forms of drug abuse.

Family and Children's Services

A total of \$133.5m will be provided in 1996-97 to the Department for Family and Children's Services. This represents an increase of 9.4 per cent in the recurrent budget for this year and an overall increase of more than 30 per cent over the first term of this Government. This Budget provides \$44.7m for non-government services, representing an overall growth of \$8.1m since 1992-93 when this Government came into office. As a major initiative, the Government has agreed to introduce CPI increases on an annual basis for non-government services funded solely by Family and Children's Services. Acknowledging the need for CPI increases in costs for these organisations reinforces the Government's businesslike approach in funding of services and will allow the non-government sector to maintain the very high standard of service that our quality control processes requires.

Parents have the first and foremost responsibility for their children's wellbeing and development. This Government has put a range of initiatives in place to support them in this role and, in this Budget, a further increase of \$2.9m has been provided for this program.

There are approximately 1 100 children in out-of-home care in Western Australia at any one time. In this Budget the Government has made a commitment to increase the level of funding available to foster carers to increase the financial support for these children.

This additional funding demonstrates the Government's commitment to supporting those children in its care at a level comparable to that for children who are able to live with their own parents.

The Environment

The Government is committed to continuing sensible environmental policies. Resources are being provided to the Department of Environmental Protection for the appointment of additional staff at Karratha, Kalgoorlie and Bunbury.

A regional coastal waters study has commenced and additional funding will be provided to carry out an air quality investigation at the heavy industry site of the Burrup Peninsula. Other areas include -

- the ambitious State of the Environment report;

- the development of a state salinity strategy involving Agriculture Western Australia, the Water and Rivers Commission, the Department of Conservation and Land Management and the Department of Environmental Protection;

- the Western Shield program. This will be the biggest nature conservation program undertaken in Australia and will target foxes and feral cats on 5 million hectares of the State's conservation estate.

Other Budget Initiatives

A number of other key expenditure initiatives are taken in the 1996-97 Budget. Time does not permit me to mention them all but they include -

- \$11.2m has been allocated to the Department of Commerce and Trade to assist in providing critical infrastructure requirements for industry development;

- approximately \$7m is allocated to science and technology initiatives.

- an additional \$3m has been allocated to the Aboriginal Affairs Department to initiate a program to upgrade essential services such as housing, water, power and waste disposal for Aborigines in remote communities and town reserves;

- the Government will be investing \$1.8m in 1996-97 in youth coordination and consultation programs specifically targeted towards young people; and

- a four year, \$8m program will be undertaken by the Fisheries Department to buy out licences in fisheries requiring restructure.

Capital Works Program

The State's capital works program provides the essential infrastructure for the future development of the State. Major highlights of the 1996-97 capital works program are -

- Western Power's planned expenditure of \$545.4m, including \$363.3m for new generation capacity;

- public housing expenditure of \$442.3m, including \$260.6m planned for allocation under Homeswest's Keystart and Realstart home loan assistance schemes, which is estimated to assist a total of 2 918 home buyers;

- roads expenditure totalling \$315.8m;

- planned expenditure of \$94.5m by Westrail, including \$30m for the replacement of locomotives

and \$4.7m for the expansion of the suburban passenger electrical railcar fleet to cater for increasing patronage; and

the bus fleet will be improved with the purchase of 133 new buses, commencing in 1996-97.

Public Sector Reforms

The Government will continue its program of commercialisation. This approach is delivering major benefits to all Western Australians. It is also consistent with the national competition policy agreement signed by all Premiers and Chief Ministers and the Prime Minister in April 1995. The partial sale of the gas pipeline represents the next major asset sale and, as with BankWest, the sale proceeds will be applied to reducing net debt. It is the Government's intention to finalise this sale during 1996-97, subject to the completion of mutually acceptable sale conditions with prospective purchasers.

This Budget represents a major reform in itself. For the first time in this State, the Parliament will consider the future expenditure plans of departments before the start of the year in which the expenditure will occur. This is a major step forward in terms of its impact on the planning and financial management of departments and is consistent with standard practice in the private sector. The Parliament will also benefit from this reform because there will no longer be a need to present the annual Supply Bill to Parliament. A significant amount of parliamentary time will therefore now be available for other business.

Another notable improvement made in this Budget is the increased transparency provided in the Government's dealings with its trading enterprises through the introduction of budget funding of community service obligations and the introduction of more commercial financial arrangements for these enterprises.

Conclusion

The Government's sound financial management of the last three years has put all the major economic and financial settings in the right direction for sustained growth and development. This has allowed the Government to strike a balance in this Budget between fiscal responsibility and social responsibility. The Government's fiscal responsibility is to ensure that the State's finances are improved by delivering balanced Budgets and reducing debt to manageable and affordable levels. This Budget and the forward estimates meet that responsibility.

Our social responsibility is to provide the highest level of service and social support to the people of Western Australia that finances will allow. This Budget represents another step in meeting this challenge with significant increases in the major social programs provided by the Government. Having achieved this balance, the Government is looking to the future with confidence to improve the living standards and way of life of all Western Australians. This Budget delivers sustainable benefits and the forward estimates clearly demonstrate that we are once again living within our means. This will continue to provide the community with benefits to the turn of the century and beyond.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Bob Thomas.

JOINT STANDING COMMITTEE ON COMMISSION ON GOVERNMENT

Report - Cabinet Secrecy

Hon Barry House presented the sixth report of the Joint Standing Committee on Commission on Government relating to Cabinet Secrecy, contained in chapter 3 of the first report of the Commission on Government, and on his motion it was resolved -

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

[See paper No 270.]

STANDING COMMITTEE ON GOVERNMENT AGENCIES

Report - Restructuring of the Standing Committee

Hon Barry House presented a report regarding the future structure of the Standing Committee on Government Agencies, and on his motion it was resolved -

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

[See paper No 271.]

PETITION - DOMESTIC BUILDING SITES

Hon A.J.G. MacTiernan, by leave, presented the following petition bearing the signatures of 102 persons -

We, the undersigned, most humbly pray that the Legislative Council, in Parliament assembled act,

- A) To require temporary power to be supplied to all Domestic building sites so avoiding the deaths, injuries, environmental hazards and high costs associated with portable generating units and petrol driven equipment on building sites.
- B) To require the provision of portable toilets, sewer connected or recirculating flush (with

sealer flap) to all domestic building sites in the metropolitan area and in regional centres and so reducing risks of disease to building workers and home owners also to restore dignity and provide the reasonable needs of building workers.

Your Petitioners, as in duty bound, will ever pray.

[See paper No 272.]

MOTION - URGENCY

Strata Titles Act Changes

THE PRESIDENT (Hon Clive Griffiths): I have received this letter dated 2 May 1996 addressed to me as President -

Dear Mr President

At today's sitting, it is my intention to move under SO 72 that the House, at its rising, adjourn until 9.00 am on 25 December 1996 for the purpose of discussing the confusion in the community over the changes in the new Strata Titles Act, particularly changes to insurance requirements.

Yours sincerely

Mark Nevill MLC

Member for Mining and Pastoral Region

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

[At least four members rose in their places.]

HON MARK NEVILL (Mining and Pastoral) [3.02 pm]: I move -

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

There is confusion among the public, particularly among those people who own strata titled units, as to the effects of the changes to the Strata Titles Act which recently came into force. People are absolutely bewildered by what is required under those insurance provisions. There is a lack of information in the community. It is clear that the Department of Land Administration cannot handle the number of inquiries that have been made. Its staff over recent years has been cut to the bone. It does not have the staff to handle a crisis like this. The Insurance Council has been overwhelmed with inquiries at levels it cannot handle. Both those entities have now been referring people to solicitors or other agencies. Members of Parliament, including I am sure many members opposite, will have received many inquiries about insurance problems with strata titled units. I have taken five calls since about 10.00 am today on this one issue. I will raise a couple of those matters later in my comments. I am also aware that land surveyors have been inundated with calls on this issue. A number of brochures have been published by the Department of Land Administration, one of which relates to insurance. It is clear that the message is not getting out to the people in the community. It is also clear that the problems go further than any of the explanatory material that has been provided by DOLA.

The amendments became law on 14 April, some two weeks ago, and the real impact of these measures is being felt in the community. Duplex owners particularly have real problems. They have to form a strata company and insure with one underwriting company. The aim of the amendments that recently passed through the Parliament was to simplify the details associated with owning a duplex under the Strata Titles Act. What has happened is that it is now more complex. We have a situation here where stand alone units as duplexes with separate buildings, fenced off and with no common property, are being caught by these insurance provisions. One woman telephoned me about midday today and said she was in such a position with completely detached properties and her neighbour did not have insurance. Her bank was asking her to pay extra insurance on her mortgage. That is basically paying the other person's insurance because of the added risk to the bank of both properties having to be insured.

Hon George Cash: You are saying that there is no common property at all with those two properties?

Hon MARK NEVILL: That is what I was informed.

Hon George Cash: Perhaps further advice needs to be taken by the lady. Effectively she can insure her own property. It is only with common property that this Act comes into effect.

Hon MARK NEVILL: There may be some common property, but she has told me that she has none. There are a few areas of public liability insurance where I am sure the problems can be overcome. I am saying that there is confusion out there and people cannot seem to get proper advice.

Hon George Cash: I am certainly not disputing that there is confusion and that that is the reason for this motion. There is a lot of confusion and incorrect statements being made about liability.

Hon MARK NEVILL: That is because people do not understand the changes in the new Act.

Hon George Cash: Quite so. They do not realise that since 1966 they have had similar obligations.

Hon MARK NEVILL: The Minister will have time to respond to my speech.

Hon George Cash: Thank you for referring to me as a Minister!

Hon MARK NEVILL: I did not refer to Hon George Cash as Leader, so I was only half wrong.

Hon George Cash: There is nothing so former as a former Minister.

Hon MARK NEVILL: Hon George Cash was speaking as though he were still the Minister.

A number of complaints have been raised with me. I will run through some of them. Some may have fairly simple solutions but others are quite difficult. A real problem under this Act is where someone has an uncooperative neighbour and has to agree to have a common insurance policy. That is proving very difficult. One case that has been brought to my attention I have asked Hon Alannah MacTiernan to look at further. She will add to my comments on that case and comment on a few other matters as well.

Another question I was asked is what happens when one unit has security and another does not. A person said to me that that person could get a reduced premium with some insurance companies. Under the joint insurance provisions, people who provide extra security will be disadvantaged.

Another question was asked about a unit owner who had a no claim bonus whereas the adjacent unit owner had a number of claims. Will the first unit owner be disadvantaged? Some of these questions have been sent to members of the Labor Party who have referred them to me. It is very difficult for an owner with several properties to gain the extra benefit of insuring them all with one insurer. That opportunity seems to be lost.

Another person asked what happens when insurance for unit A expires one month and the insurance for unit B expires three months later. How will the premium be split? What happens when improvements are made to one duplex and not another? Is there a mechanism for the insurance to be split to reflect the changes to the property?

I have had a number of telephone calls about the need for workers' compensation. Obviously if one lives in a single house by oneself one is not required to carry workers' compensation. For a lot of people living in duplexes that are detached, if Hon George Cash is right about their not having any common property, that may be the case. However, if they have a minimal amount of common property they are required to carry insurance. I have been asked whether they need to get cover for cleaners, ironing ladies or men, electricians, plumbers and those sorts of people.

These are the questions about which people are confused. Another young lady rang me during the lunch break today. She said that she had received a \$213 quote for property insurance a couple of weeks ago. She recently rang the insurance company again and the amount has now increased to \$269. I have not rung the insurance company myself and checked these figures. The company told her that this had occurred because of the changes to the Act. She told me that there was no difference in the premium to insure a property of \$180 000 or \$280 000. Therefore, the minimum rate payable was \$269 for \$280 000 worth of coverage; there was no cheaper premium. It is alarming that, according to this young woman, the insurance company said that the premium had gone up because of changes to the strata titles legislation.

Hon George Cash: I have no doubt that the company said that, because that is what your constituent said. However, it is highly unlikely that is the reason.

Hon MARK NEVILL: I hope the Minister can answer that question, because I could not. I am convinced that that was a genuine concern on her part. Many of these people have tried to ring DOLA, and because of the number of calls that it is getting it cannot cope with them at the moment. There needs to be a major public education program and serious consideration of these problems to see which need urgent remedy.

I also had a phone call from a solicitor about an hour ago. He said that there are major problems with this legislation. He sent his clerk to the State Law Publisher on 30 April to pick up the new form 8, which is the application to register the strata survey plan or the strata plan. The State Law Publisher has taken over the functions of State Print, and we all know that State Print ran a very efficient service. This person was told that the forms would be available at the end of May because the printing had been farmed out to an overseas printer. The forms have come back printed on the wrong colour paper and there are some errors in them. I understood that when State Print was privatised this work would be done in Western Australia. I cannot imagine that this form is so sophisticated that it needs to be printed overseas. The clerk came back without any forms and said that they are not expected to arrive in Western Australia until the end of May and that that delivery will be an interim shipment. The solicitor said that he checked these facts with his source. I have found this person to be very reliable and I would be surprised if the information is not correct. However, it is a concern if that sort of work is being contracted overseas. In effect, we are getting an inefficient service whereas State Print was always very reliable and efficient.

I am sure that the Minister is aware of some of these situations. I am absolutely certain that members opposite have had calls. I do not get this many calls about many issues, and it is many years since I have experienced this level of concern about a piece of legislation. My concern is so serious about certain features of the legislation and the regulations that I am seriously considering moving disallowance of the regulations next week. They still have four days to lay on the Table before that action can be taken. It is not an action I would take frivolously.

HON A.J.G. MacTIERNAN (East Metropolitan) [3.15 pm]: An issue that needs to be raised from the outset is the question of consolidation of the Statute. The original Act was passed in 1985 and I understand

that there have been some amendments in the interim. I have been told by professional settlement agents that they are having enormous difficulties trying to work out the operation of the amendment Act because that Act has not been consolidated with the 1985 Act. We are dealing here with quite complex matters. One must look at the 1985 legislation and the amendment Act at the same time and try to work out what the legislation now provides.

This piece of legislation is a prime example of the problem that was reported to this House some months ago by the Standing Committee on Constitutional Affairs and Statutes Revision, which pointed out that there was a great need for consolidation and that that obviously could be achieved with the Statutes of Western Australia now-in-force system, or SWANS, technology and other mechanisms. It has not happened here. If ever there were a piece of legislation that required such consolidation it is this legislation. This legislation has relevance to lay people; it is an instrument that tens of thousands of Western Australians will have to come to terms with as they try to sort out their liabilities in the operations of strata companies. It is not a piece of legislation that is used only by professionals; it regulates the conduct of private individuals in areas where they would not normally be seeking legal advice.

When I contacted the Parliamentary Library and attempted to get a couple of the more difficult sections set out in their amended form I was amazed to find that I could not. This has not even been consolidated in our SWANS system. Surely this is a prime example of legislation that should have been put into the SWANS system, if not made readily available to the general public in that form. We must deal with that issue. That is certainly one of the factors compounding the difficulty people are having with this legislation.

I will set out an example of the sorts of insurance problems being experienced. I spoke to a woman today - and I will call her Louise, because she was concerned about her name being revealed in Parliament because of the hostility that has been generated with her neighbour over this particular problem -

Hon George Cash: Does this relate to a duplex?

Hon A.J.G. MacTIERNAN: Yes, it relates to a duplex at Dianella that was obviously built before this legislation came into operation. This person's duplex shares common property in that it has a common driveway. Louise's problem is that her insurance is about to expire. However, her neighbour renewed her insurance policy recently, before this Act came into operation. Louise's problem is exacerbated by the fact that she needs to sell her property urgently, for a variety of reasons. She has attempted to explain to her neighbour that if they do not act with regard to insurance, their property will not be insured and they will be liable to a fine of \$400. However, her neighbour has decided to put her head in the sand: It is not her problem, because she has taken out insurance and is covered for the remainder of the year; it is Louise's problem. Louise's problem is that she will not be able to get insurance cover for her half of the -

Hon B.M. Scott: Property insurance or public liability insurance?

Hon A.J.G. MacTIERNAN: This is the package of insurance which people are required to take out under the Act, which includes property, public liability and workers' compensation.

Hon B.M. Scott: Does the public liability insurance cover the common driveway?

Hon A.J.G. MacTIERNAN: I think it would normally cover the whole area. The risk now is that the common area would not be insured, so if a burglar, or someone else -

Hon Derrick Tomlinson: Preferably someone else.

Hon A.J.G. MacTIERNAN: - tripped over a garbage can that had been left in the common driveway and broke his neck, they could be liable for damages. Louise cannot persuade her neighbour to act in unison, because of what appears to be sheer recalcitrance on her neighbour's part, and she has been told that she cannot then act unilaterally by insuring just her portion of the property, although she can double her insurance liability by insuring the whole of the property. Her other problem is that she cannot sell her property because she cannot state on the offer and acceptance document that she has discharged her obligations under the Act.

Louise has contacted the Department of Land Administration, which has told her that there is no point in her applying to the Strata Titles Referee for an exemption because the Strata Titles Referee would not grant an exemption in this case because of the substantial amount of common property that is involved. That advice appears to be in accordance with the official publications that have gone out.

Hon George Cash: You said there was only a common driveway.

Hon A.J.G. MacTIERNAN: That is right, but because incidents in that area could lead to public liability, it is not an area for which she could obtain an exemption.

There are two profound problems here. Obviously the immediate problem for Louise is that should she receive an offer for her property when it is opened for inspection on Saturday, she would not be in a position to act on that offer. We must take some action. I understand the purpose of the Act, but it does not taken into consideration human nature and the fact that people in strata title situations are often difficult to deal with. Secondly, the Act does not take note of the situation mentioned by Hon Mark Nevill, where people have paid for their insurance for different periods and it is difficult to bring them into line. One of the solutions might be to have a transitional period whereby this provision was introduced at a set date in 12 to 18 months, so that everyone would know that whatever insurance they had at this time would need to

be extended only to that set date and everyone's obligations would commence at that time.

We also have a problem with section 116A, which, as Hon George Cash will recall, is the section that I moved. It is said to be now unclear whether a person who has obtained an order will be able to use that section to enforce that order. We must clarify that matter, and we may need to amend that section.

HON GEORGE CASH (North Metropolitan) [3.25 pm]: I thank Hon Mark Nevill and Hon Alannah MacTiernan for raising this matter, because the Strata Titles Act that came into operation on 14 April has clearly led to debate within the community at large. I understand that their comments were not made in an adversarial fashion, because both sides of the House need to resolve any issues that remain outstanding. People must understand, firstly, that the requirement to insure common property has been in force since 1966 - that is, for the last 30 years - and the 1966 insurance requirements were carried forward to the 1985 Act, and the 1985 insurance requirements were carried forward to the 1995 Act, with some amendments. I will not say major amendments, but one amendment was to increase the public liability insurance from \$750 000 under the 1985 Act to \$5m under the 1995 Act. People have always had an obligation to insure in respect of common property.

Hon A.J.G. MacTiernan: But there has not been an obligation to have a single insurer, and that is generating the problem.

Hon GEORGE CASH: I appreciate that. I am more than happy to sit down with any member of the House to discuss individual areas of concern, because there is a lot of misinformation in the community. I do not suggest that is malicious or wilful, but people who own strata title units have never, in my view, fully understood their insurance obligations under the Act, and because there were significant changes in the Strata Titles Act 1995, but only relatively insignificant changes in the insurance side, that has highlighted the insurance problem, and people who have never insured their property in the past - that is, people who have left themselves open to damages claims for incidents that might occur on common areas - have clearly been brought to the fore and are now required to address that matter.

Hon Mark Nevill said there was confusion in the community and that it verged on absolute bewilderment. I agree that there is confusion. I do not think there is bewilderment. However, we do not need to argue about that. We must be positive and resolve the situation. **Hon Mark Nevill** said also that there was a lack of information in the public arena, but he did acknowledge that DOLA has circulated pamphlets to interested strata title owners, the Real Estate Institute of Western Australia, the Strata Titles Institute, and various other government agencies. Those pamphlets were distributed at a public meeting at the Entertainment Centre four weeks ago that was attended by 2 000 people. I sent all members of Parliament a series of pamphlets for their information, and members are welcome to any more pamphlets which they require. DOLA also recognises the concern in the community about insurance provisions and is drafting up another pamphlet that deals specifically with insurance.

Hon Mark Nevill: I hope it is in question and answer form, because that is one way of ensuring that people will read it.

Hon GEORGE CASH: I have seen a draft which suggests questions that might be asked by the owner of a strata title property of his insurance company to try to give some encouragement to getting the answers that are required.

[Resolved, that debate be continued.]

Hon GEORGE CASH: **Hon Mark Nevill** also referred to duplex owners. The problems do not relate only to duplex owners but to owners of all strata properties. However, the large number of duplexes has highlighted some of the problem areas. The new Act provides for a person who is aggrieved - in particular, where he cannot come to some arrangement with his neighbour, to make application to the referee. The Act provides that the referee may either agree that no insurance needs to be taken on the property or issue such orders as he sees fit in the circumstances. Obviously that must be worked through.

Hon Alannah MacTiernan raised the problem confronting Louise, the duplex owner in Dianella, who has either made application or sought advice, and the suggestion was that the referee would not agree to relieving both parties of their insurance.

Hon A.J.G. MacTiernan: That is because there is common property.

Hon GEORGE CASH: I will go through that later with Hon Alannah MacTiernan because of time constraints. I believe that Louise is in a position to sell her property.

Hon A.J.G. MacTiernan: I did say that.

Hon GEORGE CASH: I am not suggesting that Hon Alannah MacTiernan did not. Under the current Act Louise is in a position to ensure that the whole of the common property is insured and then seek recompense from the other owner through the referee.

Hon A.J.G. MacTiernan: It is a question of cost.

Hon GEORGE CASH: I do not want the lady believing that she cannot sell her property.

Hon A.J.G. MacTiernan: She is aware she can pay the full insurance and then seek recompense. We are not talking about wealthy people here.

Hon GEORGE CASH: I accept that that is not the way she wants to do business. However, where conflict exists between neighbours the Act provides for that recovery to take place, and that addresses the point raised by Hon Mark Nevill about uncooperative neighbours: The referee is available and orders can be made.

We are working through what might be said to be a transitional period. That is not in the technical parliamentary sense, but certainly in the community many people are now talking to their neighbours for the first time about the need to insure. If one owns a property in a triplex development, which has considerable common property, and only one party insures his property, and the roof on the third triplex is later damaged, because the roof is common property under the strata title Act the owner of property 1 will be responsible for at least one-third of the damages to the roof of property 3. That would cause a significant problem. It has generated concern within the community, because for the first time people are realising they have joint obligations for common property. We must get that message across through public education. We do not want conflict between people. It is not up to the individual in the first instance to insure the whole of the property; it is up to the strata company. It is only where the strata company refuses to insure that one person has the opportunity to insure the property and claim back the costs from the various parties who might owe money.

I would find it extraordinary if an insurance company lifted its rates and premiums and claimed that the increase was a result of the changes to the Act, because the changes were not significant. The changes have drawn attention to the need for people to insure. However, that is something that perhaps Hon Mark Nevill might raise with me later on.

The Government is aware of the concern in the community about insurance of strata title units. As a result, a much more intensive education campaign is being mounted. Hon Mark Nevill said that DOLA was not coping with the calls. The Minister for Lands today directed that a hotline be established at DOLA for the purpose of giving additional advice on the question of insurance. That has been put into effect. A brochure is being prepared and the Minister today is issuing a press release drawing the community's attention to the need for insurance. The Minister is indicating in positive terms that the hotline will be established and that other matters are in hand.

Hon A.J.G. MacTiernan: Will he consolidate the Statute?

HON MARK NEVILL (Mining and Pastoral) [3.36 pm]: I will take up the point raised by Hon Alannah MacTiernan about the consolidation of the Statute.

Hon George Cash: It is intended that the Statute be consolidated. We discussed this during Committee; Hon Alannah MacTiernan, Hon Mark Nevill or Hon John Cowdell may have raised it. I regret that the printers are running behind schedule. However, I am advised it will be consolidated by the end of May. It should be finished in four weeks. We are trying to do something to the format. I will take some advice on that and advise members, as I will with other issues they have raised.

Hon MARK NEVILL: The amendment is larger than the original Act. The lawyer who telephoned me today said it would take a person three solid days to annotate the parent Act, which is probably not an exaggeration when one considers the difficulty in annotating Acts.

Hon J.A. Cowdell: Do not worry; it will take the Legislation Committee three years.

Hon George Cash: This Bill went to the Legislation Committee. Notwithstanding that, there was a fair amount of debate on the matter. Certainly it has had significant public discussion. This Saturday's newspaper, and community newspapers, will carry more advertisements by DOLA so that that message gets out to the community.

Hon MARK NEVILL: I also spoke to "Louise", to whom Hon Alannah MacTiernan referred, and in my conversation with her, which was necessarily brief because of other pressing commitments, she mentioned that she had spoken to DOLA and to a woman at the offices of the strata referee who had advised she would not be granted individual insurance rights. One of the reasons for her concern was that she believed, if she took it to the referee, there would be a waiting period of up to two years. That seems to be a rather long waiting time, and I do not know whether that is correct. Perhaps there is another mechanism she could use to recover that sooner. However, that is the information she needs, and it does not appear to be available to her at present.

I am pleased that the Minister has acknowledged the problem. Nothing is worse than someone denying that a problem exists and not doing anything about it.

I hope this new brochure is set out in a question and answer form. That would be far more effective than the current pamphlet - which is a good pamphlet. However, my view is that the average person will more readily read question and answer type information.

Hon George Cash: The draft is part editorial, with some relevant questions that might be asked.

Hon MARK NEVILL: What is asked in the main questions seems to be occurring.

Hon George Cash: If the regulations were to be disallowed there would be absolute chaos within the community because of the number of strata units. There are probably other ways we can resolve the issue rather than disallowing the regulations; however, I will take that up later.

Hon A.J.G. MacTiernan: Is there any chance of deferring it so that people can have time to consider the matter?

Hon George Cash: It came into effect on 14 April. The issue is not as complex as some are making out. We need to educate people so they know what is going on. I guess that starts here and works throughout the departments.

Hon MARK NEVILL: The suggestion by Hon Alannah MacTiernan for a transition period would have given an opportunity that we missed; it is too late to do that now. It is unfortunate that this happened. It is a real problem. I am pleased to see that the former Minister and his department are taking the issue seriously and will work quickly to redress this real concern in the community. The people who contacted me are very anxious about the issues involved and want them resolved quickly.

Motion, by leave, withdrawn.

SELECT COMMITTEE ON WESTERN AUSTRALIA-SOUTH AUSTRALIA QUARANTINE CHECKPOINT

Appointment

HON P.H. LOCKYER (Mining and Pastoral) [3.41 pm]: I move -

That -

- (a) a select committee be appointed to inquire into and report on the reasons for the decision to locate the Western Australia-South Australia quarantine checkpoint at a place other than Eucla and the likely effects implementation of that decision will have on the local community;
- (b) the committee have power to send for persons, papers and records, to travel from place to place, and to report to the House from time to time; and
- (c) the committee report finally not later than Thursday, 22 August 1996.

I thank the Leader of the House and the Leader of the Opposition in this place, Hon John Halden, for assisting in progressing this matter quickly. There is a good reason for doing so. Quite recently I drew to the attention of the House a decision to shift the quarantine point from Norseman to the Western Australia-South Australia border. This is a sensitive issue for people in the area. They want the quarantine point to be closer to the township of Eucla. Since I raised this matter in the House a number of issues have arisen.

A decision has been made to expedite the construction of such a border post. I find that to be somewhat curious and the local people are less than amused by it. It would have made far more sense for the construction to have been delayed until all people involved had the opportunity to voice their concerns not just to the relevant Minister, but others. The Leader of the House in his capacity as Minister for Tourism was kind enough to take time to see one of my constituents who is involved in the matter.

There is now so much conjecture, rumour, concern and distrust in that community as a result of this decision that I have no choice but to ask this House to agree to the appointment of this select committee to examine matters relating to this issue. I envisage that the committee will not sit for very long, given that the reporting date is specified as 22 August. It is my intention to have the committee complete its work within the next two or three weeks. This is not a complex matter, but the committee must examine the reasons for the decision. That will consist mainly of talking to the people involved, including the Dundas Shire Council, the people of Eucla, representatives of the Agricultural Protection Board, staff within the office of the Minister for Primary Industry and the people who are involved with the border village.

I do not take this step lightly. It is probably pretty unusual for a Liberal member to challenge a decision by a conservative Minister. However, my responsibility rests firmly with my constituency. The people in Eucla, the Dundas Shire Council and community members have told me very forcibly that the Parliament has a responsibility to examine the matter. It may well be that no solution can be found, and I will be happy to accept that if that is the answer. It is important that we have this committee. If it is possible, it is my intention to move that this committee comprise three members who have already been identified. With the cooperation of those on all sides of the Parliament, it is not a matter that will need an enormous amount of discussion.

Sitting suspended from 3.45 to 4.00 pm

[Questions without notice taken.]

Hon P.H. LOCKYER: It is the strong wish of everyone involved in the area that the quarantine checkpoint be situated at Eucla. Normally such matters could be resolved internally by negotiation with the Minister or the department. I regret that has not been possible in this case.

Hon E.J. Charlton: Does this indicate your inability to negotiate properly?

Hon P.H. LOCKYER: No. I have been extremely patient with the Minister. He has given us a fair hearing. My problem is that while negotiations were proceeding, the contract was being brought forward and the quarantine checkpoint is now being built. That is unacceptable. If I persuade the House to support the motion I will then call on the Minister for Primary Industry to cease all work on that quarantine station.

If that does not occur it will be a sign of sheer arrogance; it will be a reflection on this House and our select committee process.

Hon Tom Helm: It could be seen as a breach of privilege or contempt of Parliament.

Hon P.H. LOCKYER: I consider it to be a little tacky. The passage of this motion would be in the best interests of all concerned. It is not my intention that the select committee deliberate for a long time, nor would that be the intention of the select committee. It would make good sense and it would certainly be good manners to give a select committee an opportunity to examine these matters. I will have complete confidence in the ability of members appointed to the committee to carry out their functions. It is a role of this House to set up such committees. It is not an enormous question that is about to be put to the House. I urge all members to support the motion.

HON MARK NEVILL (Mining and Pastoral) [4.35 pm]: I support the motion. For a number of reasons, I have always opposed shifting the quarantine checkpoint from Norseman to Eucla. Three other major roads entering this State do not have a quarantine checkpoint. I have often said that people should see me about supporting the movement of the checkpoint from Norseman to Eucla, when checkpoints are built at the Keep River near Kununurra and on the Duncan Highway east of Halls Creek and at Wingellina on the Alice Springs to Warburton road, and after that can look at splashing out between \$3m and \$5m to put into a relocated checkpoint at Eucla. It was never suggested to me that we go to the South Australian border village area. That was never contemplated.

As the local member for the area I have had no communication from the Minister for Primary Industry regarding where the checkpoint should be located. My assumption was that it would be placed at Eucla. The Government went into the last state election with that policy. Therefore I cannot say that it does not have the right to place the checkpoint there. However, the intention was not to go to the border village.

During the 13 years I have been in Parliament the Eyre Highway operators have done it hard. As a result of cheap air fares provided by, say, Compass, the volume of traffic on the Eyre Highway dropped off. Fuel prices have increased dramatically and that has caused a drop in the number of vehicles crossing the country. We have seen price wars between tourist bus companies at times when business has increased, but that does not affect motels. Businesses have not enjoyed stability. The community at Eucla needs all the support it can get from the Government. Eucla has a police station and a motel, and officers from Agriculture Western Australia are sent there from time to time. It is a small community which needs a critical mass to remain a viable community.

Hon P.H. Lockyer: The Bureau of Meteorology shifted from Rawlinna to Eucla.

Hon MARK NEVILL: It was from Forrest to Eucla. That is a good point. I cannot see any sense in placing a quarantine checkpoint at the border village. No valid reasons for that have been placed before me. It seems that the construction work accelerated when the protestations of my colleague Hon Phil Lockyer were made public. I understand that within a day or two of his comments, the bulldozers were levelling the countryside. Compelling reasons should be submitted to this House before we support the facility being set up in South Australia.

If the motion is passed, the select committee will have very specific, narrow terms of reference. It would not be a major exercise to complete the work within a fairly short period, and this issue is very important to the people concerned. I compliment Hon Philip Lockyer on raising the matter in this House and indicate the Opposition's support for the establishment of the select committee.

Question put and passed.

Appointment of Members

On motion by Hon P.H. Lockyer, resolved -

That the select committee comprise the following members: Hon Mark Nevill, Hon P.R. Lightfoot and Hon P.H. Lockyer, and that Hon P.H. Lockyer be appointed chairman.

STANDING COMMITTEE ON LEGISLATION

Report - Extension of Time

Hon Derrick Tomlinson presented a report from the Standing Committee on Legislation requesting that the time in which it had to report on the Planning Legislation Amendment Bill 1995 be extended from 2 May to 9 May 1996, and on his motion it was resolved -

That the report do lie upon the Table and be adopted and agreed to.

[See paper No 274.]

IRON ORE - DIRECT REDUCED IRON (BHP) AGREEMENT BILL

Second Reading

Resumed from 1 May.

HON KIM CHANCE (Agricultural) [4.42 pm]: I also briefly add my support to this Bill. So far the

speakers for the Opposition who have supported this Bill have been entirely and appropriately members of the Mining and Pastoral Region. I felt for two reasons that I, too, would like to add my support. In the Agricultural Region which I represent there are two significant iron ore deposits, if not within the boundaries of the electorate, at least reasonably adjacent to it. I refer to the Koolyanobbing and Talling Peak sites. Both deposits will in time become significant to the Agricultural Region, even though that may be some decades down the track. That is my fervent wish and I shall refer further to Koolyanobbing.

With regard to the Talling Peak deposit, I am extremely enthusiastic and hopeful about the proposal by the Kingstream Group of Companies to introduce a similar process and go a stage further. I hope in time that deposits of that nature closer to the Agricultural Region will be developed.

Hon B.K. Donaldson: And Asia Iron.

Hon KIM CHANCE: I thank my colleague from the Agricultural Region Hon Bruce Donaldson for indicating that he is of the same view. He has pointed to another possibility in that area. We all have an interest in the project the subject of this Bill because it means a great deal to all Western Australians. It will not only expand the resource itself but also make deposits which are now marginal or subeconomic possible contenders for development in future years.

The second reading speech was described by Hon Tom Helm as mealy-mouthed. I am not sure I agree with that description, but it is fair to say the second reading speech was extremely long on self-congratulation. It is not hard to gain from the speech the feeling that the State Government believes the project could not have gone ahead without its policies, particularly deregulation of gas. That is a highly questionable assumption but I could have dealt with it if the Government had been a little more generous to the proponent, BHP Direct Reduced Iron Pty Ltd. That company's courage and famed innovation in this area have made this project possible. I am delighted that my colleagues have rectified that to some extent and have congratulated BHP. This company has shown, particularly in its later years, that it is possible to lead in both innovation and industrial relations. It is the leading iron ore company in Western Australia today and, very likely, one of the leading mining companies in the world.

My interest in the Bill and the project is not as a representative of a mining electorate but rather, as most of us are, as a representative of that broader group of people who are the non-mining beneficiaries of the mining industry. Each of us has an interest in the mining industry; after all it is this State's most significant economic reason for existence. Partly as a result of that, it has been too easy in the past to exploit a resource by digging it up and shipping it out. That does not contribute much to future generations or the expansion of the resource, except with regard to future exploration. It is an understatement to say it has been a long wait for a major value adding project, and the reasons are accurately set out in the second reading speech. Without being overly critical, it must be said that it is always easier to dig it out and ship it out than it is to process the resource. Because it is easier, it is human nature to always find a reason not to move to the more difficult second stage of processing. However, the benefits of processing are clearly set out in the second reading speech. The end product converts a material of 62 per cent iron to a product of 92 per cent Fe. In doing so, the value adding component is 500 per cent. The value of the commodity increases from \$25 a tonne to \$125 a tonne. That in itself is a good reason to support this project.

All Australians, whether they have a direct or indirect interest in mining, have a direct interest in ensuring that the mineral resources of this State are used responsibly. WA has an enormous endowment in mineral wealth and it is important that we accept our responsibility not to fritter away that endowment before future generations have both access and the right to benefit from it. I find the combination of the beneficiation and the direct reduced iron processes exciting because it allows for a much broader spectrum of the existing iron ore resource to be used. The obvious effect is that the usable resource will be expanded and in time we can expect the economic development of those resources which are at the moment marginal or subeconomic.

I think every member here will have probably spoken ad-nauseam to critics of our mining policy. The fact that we ship out huge quantities of iron ore at a price that barely seems to cover the cost of mining and land transport offends a large number of people. Some people ask us why we are not using our valuable resource more effectively. Generally speaking, that criticism becomes even more pointed because of the juxtaposition of our main iron ore resources with our main energy resources. I have been critical of one such mining operation. Westrail hauls Koolyanobbing ore some 600 kilometres to the port at Esperance. If the price charged to Portman Mining Ltd, the relevant mining company, by Westrail under its contract was the same as the price of the grain freight contract, Westrail's other large contract, the freight bill would exceed the price for which the iron ore is being sold by about \$10.

Hon P.R. Lightfoot: In fairness, the iron ore goes all year does it not? It is a 12 month operation as opposed to seasonal.

Hon KIM CHANCE: I take the member's point. Nonetheless, it would exceed the figure by a large margin. We could probably argue all day about what should be the appropriate rate for the Portman iron ore haul. However, without taking it to that fine point - Westrail would not have taken on a contract of that size if it meant it would make a loss; that is probably the final decider of the matter - it makes the point clearly that the price we are achieving for iron ore ex mine is very low.

When we consider the manner in which the hot briquette industry plant will add value from \$25 up to \$125 a tonne, we can at least understand why so many people in Western Australia are critical of our iron ore

mining policy. I know we have a lot of iron ore and I know that the world needs a lot of it. As my friend the member for Pilbara is fond of telling me, we could mine iron ore at the rate we are mining it now and we would still have iron ore for many generations to come. I accept every bit of that. Nonetheless, high grade iron ore is not an unlimited resource. Indeed, my friend Hon Ross Lightfoot referred to parts of the Hamersley Iron Pty Ltd operation - which may not have relevance to this Bill. Nonetheless, he referred to Marandoo. As I understand it, that was created for reasons similar to the reason Paraburdoo was established - to extend the life of the high grade Tom Price ore.

Hon P.R. Lightfoot interjected.

Hon KIM CHANCE: Yes. There is an extremely sophisticated blending process to reach what is now the expected world standard of 62 per cent Fe with a set minimum quantity of undesirable trace materials determined by the Japanese mills. That is not the easiest thing in the world to maintain. We have been mining at Tom Price now for about 28 years.

Hon N.F. Moore: Since 1965.

Hon KIM CHANCE: It is certainly a declining resource. Unless we are prepared to use those lower grades of ore which, without blending, do not and cannot meet that existing standard, we will rapidly deplete the sources of ore which give us the world dominance we enjoy now. We do not have the iron ore world market to ourselves. The Brazilians have huge quantities of ore which are being expertly mined, although it faces a higher freight charge. It is not a market to ourselves, even at this price. The earlier we begin this process of beneficiation and value-adding the happier I will be.

I support the Bill enthusiastically, not for exactly the same reason as my Opposition colleagues in the Mining and Pastoral Region, but for the reason that all Western Australians should be enthusiastic about the project: It expands our resource and in the future will add to the wealth of all Western Australians.

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [4.54 pm]: I thank members for their contributions on this debate. I have much pleasure in speaking, not just as the Minister responding on behalf of the Government, but also as a member for the Mining and Pastoral Region.

It is indeed a magnificent project, one for which we have been waiting for many years. It may be nearly 30 years since Tom Price began. I remember as almost a 30-years-younger teacher living within the iron ore mining community of Tom Price.

Hon Reg Davies: You started teaching when you were 10!

Hon N.F. MOORE: Hon Reg Davies should be in politics! Since its beginning the iron ore industry has been a magnificent industry for Western Australia. The development in the Pilbara that resulted from the iron ore industry in that period is exceptional. In a very remote part of Western Australia we now have towns such as Tom Price, Paraburdoo, Newman, what is left of Pannawonica, Karratha -

Hon Mark Nevill: Wittenoom.

Hon N.F. MOORE: What is left of Wittenoom, Port Hedland and the like. Towns which either did not exist or were tiny remote communities 30 years ago are now significant populations of people and communities which provide people with not only employment but also very enjoyable and pleasant lifestyles.

I took on board the comments by Hon Tom Helm last night about the effects of some industrial relations policies on the social infrastructure in some of these communities. I share some of his concern about that because it is important in remote and isolated towns that there be a very well established social infrastructure. Families and individuals need a sense of fulfilment and involvement in a range of activities in the same way that is possible in the more established towns in the south and in the metropolitan area.

It was my experience in Tom Price, in those days at least, that almost every sporting pursuit was available. Many social activities and many theatrical productions were put on. It was a very complete community in that respect. I am a little concerned about the effect of continuous work shifts and that industrial situation in some of those towns. We need to examine it carefully to ensure we retain the best of both worlds in order to ensure quality of life which is vital in remote parts of Western Australia. Again, I am inclined to the view put by Hon Mark Nevill about the fly in, fly out arrangement. It is a terrible shame that Governments - or a Government to be more specific - nationally brought in a taxation regime for Australia, the fringe benefits tax, which had a significant effect on the way mining companies carry out their operations. That is not the only reason they use fly in, fly out operations. The situation in Argyle as a result of fringe benefits tax, combined with industrial relations problems, has created an environment where people now fly in and fly out.

I am not sure that is the most healthy way of running industry in Western Australia. It has meant that many potential new communities in the remote parts of our State have not developed. If my memory serves me right the last new town created in Western Australia was Leinster. Since then I do not recall a new town of any significance being built anywhere in remote Western Australia. There are many mining camps and airstrips, and the charter companies are doing well, but we are not developing the remote parts in the way we did during the 1960s and 1970s. We must consider the reasons that has happened. In my view it is very important to Western Australia to ensure that people do not all live in the city or the south west, although the Deputy President (Hon Hon Barry House) may disagree. It is important to populate our

remote areas. The mining industry is the only industry I can imagine that has the capacity to do that.

I would like to perhaps remedy a shortcoming in the second reading speech. It seems that insufficient congratulatory comments were made about the Broken Hill Proprietary Co Ltd. That was not in any way intended by the Minister for Resources Development who, as we all know, has significant regard for BHP and indeed all the other companies which are so important to the mining industry in Western Australia. I assure the opposition members who raised this matter that there was no slight intended whatsoever. We know very well it is BHP's money, it is its decision to proceed and that without its making this decision this project would not have gone ahead. Clearly, the State is not the project operator and it is not setting up a direct reduced iron plant. The State Government's involvement is by way of facilitation - to encourage, to assist, to at times cajole and to insist on some of the previous agreements. It must make sure that companies deliver on their commitments and, at the same time, are encouraged to spend their money in Western Australia for the benefit of themselves and the community. I can assure Hon Tom Helm that the Government does very much appreciate the contribution BHP has made to Western Australia and Australia with not only this project, but also the other projects with which it is involved in this country. It is a magnificent company and is of great significance internationally. The Government is absolutely delighted to have a company like BHP spending \$1.5b in Port Hedland.

I spent time in the Pilbara and I was always hoping that down the track it would have secondary industry with value adding. In previous years there have been beneficiation programs in the Pilbara which, in a sense, involved value adding, but we will now have real value adding. Cape Lambert and Dampier had pellet plants, but due to certain circumstances, including the price of fuel at that time, they closed down. However, it is interesting to see that we are entering into the next stage, which involves expensive and magnificent plant which will result in real downstream processing for the iron ore and steel industry. I congratulate BHP and, at the same time, I acknowledge the work done by the Department of Resources Development, the Minister for Resources Development Colin Barnett, and Premier Richard Court in putting together what is a very good deal for both parties. The parties are satisfied with the agreement and it is an excellent way forward for this project.

As a local member I was pleased to acknowledge the South Hedland enhancement scheme, which is part of this agreement. An amount of \$3.5 million will be contributed by BHP and that figure will be matched by the State Government. Members who know South Hedland will know that its history is one of disappointment, particularly in the way it was laid out.

Hon Tom Helm: Disastrous.

Hon N.F. MOORE: I did not want to be that aggressive. I am not sure who was responsible for deciding on the Radburn plan for South Hedland, and I really do not want to know. It may have been the Tonkin Government or the earlier Court Government, but I really do not care. Whoever decided to put the townsite where it is and to use the Radburn plan simply did not understand what living in the north is about. The Radburn plan has some merit in certain parts of the State. It is appealing in areas where people walk a lot and spend a lot of time outdoors. Clearly, that is not what one does in South Hedland, particularly in summer. The whole concept was inappropriate for that part of Western Australia. In spite of the miles of coastline in that area it was crazy to put the townsite of South Hedland where it is. It has been an unhappy town for most of its history. The \$7 million will go some way towards, firstly, overcoming the structural problems which have been brought about by the town planning scheme which was implemented and, secondly, greening the town and making it more attractive so that it will become a more desirable place in which to live.

The project will mean that in the short term 1 400 jobs will be available in the construction phase. Members have already heard that that will place an enormous strain on the infrastructure of Port Hedland. It is a fact of life, which regrettably we must accept, that with a large construction work force temporary arrangements must be made for them for the duration of the construction period. Brick and tile homes cannot be built for the construction workers because they will not be required when the project is completed. I understand that on completion the project will provide 200 full time jobs. It will be an added requirement on Port Hedland to provide not only housing, but also additional schools. Work is being undertaken on a new school in the area but I am not sure what stage it has reached. A rationalisation scheme for schools in Port Hedland has been considered. In addition, the hospital and other social infrastructure will have to be upgraded to cater for the additional people living in Port Hedland.

Hon Tom Helm: Perhaps they will move the hospital to South Hedland.

Hon N.F. MOORE: Hon Mark Nevill referred to the problem of skills shortages. I have no doubt that as we go into the next five years of resource development projects in this State there will be a number of shortages in certain skills areas. It is something which is virtually impossible to plan. As the Minister for Employment and Training I advise members that I sometimes tear my hair out trying to get information from industry about what its skills and labour needs will be in the future. Often decisions are made to go ahead with a project which has short time lines and 50 or 60 welders are required immediately. They simply are not available. The Government will be looking to labour coming from the other States during the construction period. In some cases it may be necessary to bring labour in from overseas for specialised areas.

The Department of Training is working with the Department of Resources Development to put together programs to make sure that customised courses can be delivered where necessary to up-skill people as

required and to facilitate the delivery of training to people as quickly as possible. One of the difficulties in providing training is that it takes three or four years to train a person and by the end of that time the project is finished.

Hon Kim Chance: Will the union movement generally be involved in that process?

Hon N.F. MOORE: Yes. I want to refer to what is a fortuitous event: Today the Vocational Education and Training Bill was second read in the Legislative Assembly. That Bill is about putting in place a new training structure in Western Australia. It allows for significant industry input into the training needs of Western Australia. When I refer to "industry" I include the union movement, not by virtue of right, but by virtue of its need to be involved. The industry training council network, which was formalised under the State Employment and Skills Development Authority legislation, will be relaxed to the point where the industry training councils will not have to be tripartite bodies, but will involve anybody who wants to make a contribution by way of their expertise to the training needs of the industries which have a training council.

Under the proposed Vocational Education and Training Act, industry will have a significant input into training needs. Those training needs will be assessed by the State Training Board, which will create a state training profile which will be tendered out by the Department of Training to the various providers of training. The Government hopes that it will go some way towards making sure that a balance is found between the needs of industry and the supply of labour. In the past, it has been a supply driven system, but now we are moving to a demand driven system. For the first time the training providers will have to take notice of what the industry needs and not what they think it needs. It is an important day from my point of view because that legislation makes a significant change to the way the system will operate. I hope it will overcome the problem of skills shortages, although we cannot eliminate it altogether because of the time taken to train people and because decisions pertaining to projects are made very quickly.

Hon Kim Chance: It is a fair comment that we have known of the likelihood of this boom for some time. This is only one of a number of very large projects that we could see coming five or six years ago.

Hon N.F. MOORE: The honourable member is right, except that Governments have limited dollars for a range of purposes and they put those resources in areas of highest priority. Often companies are not making final decisions until very late in the day. We have a problem with training people who cannot get jobs. That is one side of the equation, although it is better to have a trained person unemployed than an untrained person. However, that creates its own tensions. It is very difficult to get manpower planning right; it is a very inexact science. We are putting in place a process that we hope will go as far as possible to ensuring we get the right balance.

Hon Kim Chance: It is not a bad problem to have.

Hon N.F. MOORE: It is a better problem than unemployment. However, the irony in Western Australia is that we have 7.6 per cent unemployment and a skills shortage. It is a matter of ensuring that we up skill those people whose skills are not useful now but who could be employed with additional support. Again, it is a matter of moving the people to the jobs. Not everyone wants to go to Port Hedland or Kalgoorlie, but most people would like to go to Margaret River. We have to ensure that we get the balances correct.

Hon Mark Nevill: I recommend an excellent article in the latest edition of *The Economist*, which is available in the library. You might benefit from reading it.

Hon N.F. MOORE: I thank the honourable member. Hon Mark Nevill spent some time talking about agreement Acts. I acknowledge the fact that he has a point of view about whether we should have agreement Acts. We have had them for a long time and no-one has ever come to me and said that they are a disincentive to anything happening; they have not had a detrimental effect on development in Western Australia. On the other hand, as Hon Mark Nevill has pointed out, they may not be necessary. I do not have a particular view. I was interested in Hon Ross Lightfoot's view about Parliament's being involved in these deals. It is important that we are made aware of what deals are being done between the State and development companies so that we as members know the details of the contracts. If there is no agreement Act it may be that we would never know those details. I also understand that companies get some comfort from having an Act of Parliament ratifying the agreement.

I would not be unhappy to support the establishment of a select committee at some later date. Anything that has been in place for a long time should be reviewed from time to time. If the honourable member feels the urge to establish a select committee after the next election, I would not have any problem supporting that.

The honourable member asked whether Mitsui-Itochu Pty Ltd had any equity in this project. BHP DRI Pty Ltd is a wholly owned subsidiary of BHP. Mitsui-Itochu has no equity in BHP DRI Pty Ltd nor the DRI project. I do not know whether that answers the question, but that is the advice that I have been given.

Hon Mark Nevill: Do they have equity in the beneficiation plant?

Hon N.F. MOORE: I assume not, but the advice I have been given is in response to the question that was asked last night. I do not know anything other than that.

Hon Mark Nevill: The same company owns it, so I guess the answer is no.

Hon N.F. MOORE: I will find out. The honourable member also asked what improvements to public

facilities have been agreed to in South Hedland. There is some park furniture and water fountains in two parks have been agreed to. In addition, a new road link between Boronia Place and Banksia Street is proposed and extensive footpath programs are being undertaken between the Koombana and Cassia areas. Work has already commenced on that.

I know that in other circumstances like this where reasonably large sums of money have become available to do things in town, everyone gets on the bandwagon and wants a slice of the action. Even in my own portfolio of Sport and Recreation there is a lot of activity going on to ensure that some of the money goes to that area as well.

Hon Mark Nevill: There are a lot of mouths to feed.

Hon N.F. MOORE: That is right. I suspect that \$7m will not go anywhere near satisfying the needs of everyone in South Hedland. However, work has started and we are endeavouring to ensure that many of the things people want are delivered.

Hon Mark Nevill mentioned that the agreement was exempt from the training levy. I interjected by saying that a project worth \$1.5b would require a very large contribution to the BCIT Fund. On that sum the levy would be \$3m, which is about as much as the fund gets every year from all projects. The decision was taken by Government to exempt BHP from this levy on the basis that \$3m was a significant impediment to the project's taking place, but also on the basis that the company acknowledges that it has an obligation to undertake training. BHP, Hamersley Iron and other companies such as BP, to which the Hon Tom Helm referred last night, have their own training schemes and ensure that people receive the necessary training. The future of the BCITF is being considered by Government. It is appropriate on this occasion for the company to be exempt from that levy pending some final solution to the BCITF issue.

Hon Tom Helm made a few comments about BHP, and I think I have covered the points he made. He suggested that the agreement does not go far enough in respect of requiring the company to seek local content and labour. It may have been Hon Tom Helm or Hon Tom Stephens who made reference to that issue, but they both made the point that there is a need for the company to ensure that it does its best to enable local businesses and individuals to be employed on the project. I do not think it is necessary to write into contracts that companies do these things; that will happen as a matter of course. If there are people who reside in Port Hedland who have the appropriate skills I have no doubt that they will be the first employed because they are on site. The cost of relocating and accommodating new employees is very high. It is a matter of economics and commercial sense for companies to employ locals wherever and whenever possible.

With respect to Aboriginal employment, I know that Hamersley Iron has done an enormous amount of work in the inland Pilbara, and I have no doubt that BHP will take a similar approach in relation to the DRI plant.

I thank Hon Tom Helm for his comments about training and the Government's contribution to training in the Pilbara. He and I agree that Pundulmurra College is an excellent example of what can be done if we give people authority to do things and the capacity to make their own decisions. We provided money for the locals to fix up an establishment that was in pretty bad shape. Pundulmurra has gone along very well indeed and is providing excellent training for Aborigines, not only from the Pilbara but from the Kimberley and throughout Western Australia.

Hon Tom Stephens often finds the opportunity to give me a serve in this House about education and training in the north west. He has claimed on a number of occasions that I have let the side down in respect of the north, particularly in relation to my previous portfolio. I suggest to Hon Tom Helm that he might like to take Hon Tom Stephens to Pundulmurra to show him what it looks like now, and have him talk to the people who run the college, who work there and who are training there. He should also go to Jigalong to look at the annexe that we have established there and compare it with what used to be a run down primary school. Since becoming Minister I have provided the funding for it to be upgraded to a college under the Colleges Act. It will become a TAFE institution with its own governing council under the new Vocational Education and Training Act. It will be a very significant provider of training for Aborigines across Western Australia.

In politics one takes the good with the bad. I take some pride in what has happened at Pundulmurra. I recommend that Hon Tom Stephens visit that area. He should also look at the Kimberley College of TAFE because when I became Minister for Training there was one very worn out TAFE institution at Broome. There were some premises in the Kimberley - one at Kununurra and a couple of programs being run at schools - but, generally speaking, there was no TAFE presence of any significance. I made the decision to go into the Kimberley in a big way. We have created the Kimberley College of TAFE based at Kununurra. The headquarters of the college is worth \$2m to \$3m. We have a facility at Halls Creek, one will be set up at Wyndham, and we will have a joint venture at Fitzroy Crossing. In today's Budget we have foreshadowed the commencement of a \$2.5m building program in Broome and an allocation of \$500 000 for Derby. We will finish up with a multi-campus TAFE institution called the Kimberley College with its own governing council, providing vocational education and training across the Kimberley for the first time.

I suggest that Hon Tom Stephens look at that facility. He should look at what we have already done, and at today's Budget to see what we will do in future. That is an area of which I am very proud as well. Hon Tom Stephens tried to say the other day that we were spending money in Liberal seats but there was no

way we could beat Ernie Bridge in the Kimberley. I am happy to spend \$6m or \$8m on TAFE facilities in the Kimberley because that is where the money is needed. There is significant demand for training in the Kimberley, and it will happen. I got a bit offended yesterday when Hon Tom Stephens, in the two minutes he had to make a smart comment, said that he had asked the Education Department to give a summary of what had been done for education while I was Minister and he received a blank page. It was 150 foolscap pages identifying what has happened since I became Minister. This is an area in which I have great pride. I could have spent money in Liberal seats or in marginal seats but I have spent it in the Kimberley and remote parts of Western Australia where very many significant educational and training needs had not been addressed in many years.

Sometimes one can feel some pride in one's achievements. I do that in respect of what has happened in the Aboriginal education and training area. We have established an Aboriginal Education and Training Council which comprises Aboriginal elders and representatives. The Government representatives on the council are the chief executive officers of departments that provide training and education. They do not send a deputy or a representative to meetings. They must attend the meetings themselves. The Director General of Education, the Director of the Department of Training, and the Director of the Education Policy and Coordination Bureau must attend meetings. They have hands-on involvement in policy making for Aboriginal education and training. Therefore, I invite Hon Tom Stephens to come with me some time to the Kimberley and I will show him what has been done.

Hon Mark Nevill: Who is the Director General of Education?

Hon N.F. MOORE: The Acting Director General is Mr Skivinis. I understand that a new appointment will be made soon.

I thank members for their contributions to this debate. This is a very important piece of legislation. It represents a magnificent new industry for Western Australia. It is a direct reduced iron project for Port Hedland. It is the first significant move towards value adding in the iron ore industry, and towards a secondary industry in the Pilbara. It is brought about largely because of the changed circumstances in respect of gas and the demand for processed iron ore, and I guess the commitment of BHP and the Government to ensure we get these industries up and running in Western Australia to make sure we provide a future for not only the State but also young people. I thank members for their support. We will undertake the Committee stage of the Bill next week.

Question put and passed.

Bill read a second time.

IRON ORE BENEFICIATION (BHP) AGREEMENT BILL

Second Reading

Resumed from 29 November 1995.

HON MARK NEVILL (Mining and Pastoral) [5.25 pm]: The Opposition supports the Bill. I contemplated suggesting to the Minister during the previous debate that we deal with these two Bills cognately, but decided against that. I regret that now, because I started talking about the development assistance for Port Hedland, which is part of this Bill and not the previous one. The Minister has answered those comments in his second reading speech, so we have both been drawn into the same problem. My mistake was made because I did not refer to the Bill during the debate.

The long title of the Bill reads -

An Act to ratify, and authorize the implementation of, an agreement between the State and BHP Direct Reduced Iron Pty. Ltd. relating to the establishment and operation of material handling facilities and a plant for beneficiating iron ore at Port Hedland.

This Bill relates to the other part of the direct reduced iron project. The facility will cost at least \$600m and will be constructed adjacent to the DRI plant. It will have a significant materials handling system attached to it which will include a 7 kilometre conveyor belt. That is a significant belt, but it is fairly short considering the Wagerup and other operations. The construction will include a stockpiling and shiploading facility.

Hon Tom Helm interjected.

Hon MARK NEVILL: I forget the specifications.

Hon B.K. Donaldson: It is a tunnel. It is a huge project by world standards.

Hon MARK NEVILL: It is a tunnel under the harbour to Finucane Island; it is a significant project. It also contains a residue disposal area for tailings output. The second reading speech reads -

Although the two agreements are linked, there is nevertheless a natural divide in the project between the DRI plant itself and the beneficiation plant, materials handling and residue disposal, all of which are still primarily part of the iron ore business.

From my reading of the two Bills it is not clear why the project has been split between two Bills, when both projects are owned by BHP Direct Reduced Iron Pty Ltd.

The beneficiation plant is an interesting addition to the metallurgical and milling facilities in this State because it will be the forerunner of other beneficiation plants. As Hon Kim Chance said, if the Kingstream project at Geraldton goes ahead - and I have been confident for a number of years that the project has very little standing in its way - it will require beneficiation of a large part of the ore for steel processing after the initial high grade ore is depleted.

Throughout the wheatbelt, outer wheatbelt and Yilgarn regions a number of projects will eventually be mined and beneficiation will be involved in that mining. Hon Bruce Donaldson interjected about the prospects of Asia Iron Ltd. I shook my head because I thought he was referring to Aussie Steel, which I did not think would come to fruition very soon. Compact Steel Pty Ltd has been history for a number of years in my view.

Hon B.K. Donaldson: Asia Iron has taken on a location east of Geraldton.

Hon MARK NEVILL: Yes, at Mt Gibson. If it has taken an option on Narngulu area east of Geraldton, I do not know where the Kingstream steel mill will be located. It will probably have to go to Oakajee.

Hon B.K. Donaldson: Asia Iron is east of Narngulu.

Hon MARK NEVILL: Once a beneficiation plant is established in the State it will help other operators to see how that equipment operates, and will assist in further developments throughout the State. There is always a lot of cooperation in the mining industry. There does not seem to be a desperate desire to control proprietary information, particularly in the metallurgy industry; everyone seems to benefit from the progress that is made.

Hon B.K. Donaldson: When you mentioned Yilgarn, were you talking about ore? Will there be an opportunity there?

Hon MARK NEVILL: I think so, eventually. They have been mining at Koolyanobbing recently and shipping to Esperance, although that is high grade ore.

The Bill contains some interesting clauses which we will look at next week. If the company defaults on the beneficiation plant it will probably default on the DRI plant. If that happens Broken Hill Proprietary Co Ltd has a fairly big cost to carry. It is hard to see BHP operating a beneficiation plant if there is no market for DRI hot briquetted iron. I cannot understand why the two Bills have been separated. Perhaps the Minister can make it a little more clear than it is in the second reading speech.

The Minister agreed with me that perhaps there was no need for agreement Acts to come to Parliament. I would have had no objection if this had been brought to this Parliament as a private Act rather than a public Act. A number of private Acts have come before this Parliament; for example, the old Midland railway company operated under a private Act, as do many churches.

Hon B.K. Donaldson: We recently amended the Hale School Act.

Hon MARK NEVILL: Many of the banks have private Acts. If there is no direct government involvement I cannot see why we need a public Act. If a government guarantee were involved with the bank that would certainly require a public Act. However, if no government guarantee is involved with a private project - whether it be a DRI plant or a bank - perhaps one of the avenues we could explore is whether it would be more appropriate for these sorts of projects to be presented to the House as private Acts which are ratified by Parliament. I am not excluding Parliament's dealing with these projects by private Acts when I say that I cannot see any point in their coming forward as public Acts. That is something I would like to investigate further if we set up a select committee some time in the future.

The question of private Acts is interesting when one looks at the Iron Ore Beneficiation (BHP) Agreement Bill. Last night I was reading in the *The Oxford Companion to Law* in the Parliamentary Library that the courts take no notice of private Acts. That is quite wrong. I took advice from the Clerk, and there are many precedents of the courts dealing with private Acts. In that context I would be interested if the Minister would comment either during the second reading debate or during Committee about how the courts regard these agreement Acts. I am curious to have the answer to two questions: Firstly, are the Government's obligations under this Act specifically enforceable by the private operator? I should think they would be, but I am not sure they are. Secondly, is declaratory relief available under this Act? In other words, can a writ of mandamus be issued by the courts where there is inconsistency in the use of executive power by the Government? To my knowledge we have not had any litigation involving agreement Acts. I am curious as to the extent to which the courts can interfere with these documents. It will be interesting if they can interfere.

In reading the detail of the Bill I have noticed a few interesting points. The definition of "handling site" does not clearly include the tailing facilities, although I suppose that could possibly be the disposal site. The word "tailings" is not used in the disposal area, but I presume it could be the same thing. It is interesting that the Bill seems to have been written without any specific reference to the Native Title Act. The agreement talks about native title, but with no reference to that Act except, firstly, in the definition where it says that NTA means the commonwealth Native Title Act. The second and only other reference talks about native title and native title rights and interests having the same meanings given to them in the NTA. Although I have some difficulties with the Native Title Act, I find it strange that reference to that Act is left out of the body of the agreement Act; that is, those clauses that discussed the termination of the agreement under native title.

Hon N.F. Moore: There is a reference in the definition which refers to any Act that is applicable at the time in Western Australia.

Hon MARK NEVILL: It seems to have been written before the decision of the High Court of Australia.

Hon N.F. Moore: It refers to whatever law is applicable at the time. I hope there will be some changes to the one in place now.

Hon MARK NEVILL: The current Federal Government must grapple with that problem, and it will be interesting to see how it is resolved.

I refer to the use of provisos in agreement Acts. Every now and then in a clause the words "provided that" will appear in capital letters; for example, in clause 15(2) in schedule 1. These are generally known as provisos. It means that the clause will give effect to something conditional on something else occurring. That is inadequate, if not bad, drafting. What can and cannot be done should be stated, rather than what can be done with the addition of a proviso. I think I have said that in this place before. However, there is a saying that when people get sick of hearing themselves say something, the message is getting through to someone else.

Hon N.F. Moore: I think you should add about 50 times on top of that.

Hon MARK NEVILL: It is also said that when people get sick of hearing themselves say something the journalists are starting to pick it up, and when the journalists are sick of hearing themselves say something, the public is starting to pick it up. Perhaps it will not hurt to repeat my comments.

The part of the Bill that is different relates to the development assistance fund for Port Hedland mentioned in clause 33. I refer to the funds being expended in Port Hedland about which I made some incorrect comments in my speech on the other iron ore Bill. I suspect that anyone interested in this matter will read the debates on this Bill and on the Iron Ore Direct Reduced Iron (BHP) Agreement Bill simultaneously. Clause 33(3) talks about the State and the company establishing a steering committee and an administrative secretariat. The composition, functions and funding of those bodies are by agreement between the Minister and the company. I ask the Minister to indicate on the record when he responds what are the costs of the administrative secretariat. As I see it, the funds will be split in that secretariat. The two lots of funding will be separate. Can the Minister advise what are the costs of the administrative secretariat; how many people are involved in it; and what is the cost of the steering committee?

Under clause 33(2) the State and the company will pay \$500 000 each in the financial year ending June 1996 and \$1.5m each in the following two financial years. I will be interested to hear how much of that money the secretariat will use and what portion will be in South Hedland as improved facilities. I hope the former is fairly minimal.

Subclause 6 refers to money spent on the Boodarie industrial estate. Although that is paid by the State, the infrastructure that is built must be by agreement between the Minister and the company. Is there a conflict of interest with the company if a third party wants to build on that estate? It seems that the company has the capacity to prevent the third party from building on the estate.

Clause 33(7) seems to be completely out of place. It refers to the determination of the agreement. I do not think that has anything to do with the development assistance for Port Hedland. It is strange that it is not in a section of its own. This Bill does not have a clause to allow the agreement to be determined by the company after the commissioning of the beneficiation plant, yet the DRI Bill has a clause allowing the company to determine the agreement in such a case. No clause in the Bill allows this agreement to be determined after the plant is commissioned, and I wonder why that is the case. Perhaps further comments can be made during the Committee stage. The Bill is supported with enthusiasm by the Opposition.

We hope this is just the first of a number of DRI plants and that we will see even further downstream processing with the construction of a new steel mill in this State. It will certainly be ironic if the steel mill in Geraldton proposed by a small company is built before BHP constructs a mill. I put the challenge to BHP to be the first and to lead the way in that further step of value adding, which is much greater than from iron ore fines to DRI. It certainly would be a case of David showing up Goliath. I am sure other companies are looking at the prospect of building steel plants in Western Australia. Some are pie in the sky, others are very real. I conclude by reiterating that the Opposition supports the Bill.

Debate adjourned, on motion by Hon Tom Helm.

House adjourned at 5.52 pm

QUESTIONS ON NOTICE

WESTRAIL - QUESTION ON NOTICE 4196 (1995)

3. Hon BOB THOMAS to the Minister for Transport:

Further to question on notice 4196 of 1995 -

- (1) What is the distance between the widest point of the traction motor on the left hand side of the bogie to the widest point of the traction motor on the right hand side of the bogie on an NB class locomotive?
- (2) What is the distance between the widest point of the traction motor on the left hand side of the bogie to the widest point of the traction motor on the right hand side of the bogie on an L class locomotive?

Hon E.J. CHARLTON replied:

- (1) If the member is referring to the width of the traction motor at its widest point, the answer is 1 240mm.
- (2) If the member is referring to the width of the traction motor at its widest point the answer is 1 320mm.

WESTRAIL - GREAT SOUTHERN LINE, WAGIN-ALBANY, SPEED
RESTRICTIONS

Timetable for Track Repairs

29. Hon BOB THOMAS to the Minister for Transport:

- (1) Where are there speed restrictions on the Westrail great southern line between Wagin and Albany?
- (2) What is the time table for track repairs at those locations?

Hon E.J. CHARLTON replied:

- (1) At the southern entrance to the Broomehill yard and at Kendenup.
- (2) Work to rehabilitate the short distance of line at the entrance to the Broomehill yard is in abeyance pending proposed rationalisation of the yard. The speed restriction at Kendenup was imposed because of soft formation. Rehabilitation is considered a low priority and is not included on the current work program.

WESTRAIL - ROAD COACH SERVICES

Hired Coaches, Perth-Albany via Albany Highway

32. Hon BOB THOMAS to the Minister for Transport:

- (1) Since 1 July 1995, on how many occasions did Westrail hire a road coach for its passenger services from Perth to Albany via Albany Highway?
- (2) What were the dates?
- (3) What was the reason?

Hon E.J. CHARLTON replied:

- (1) 46 as at 22 March 1996.
- (2) 3, 10, 14, 17, 19 and 21 July 1995
9, 16, 18, 20, 25 (two occasions) and 29 August 1995
6, 8 (two occasions) and 20 September 1995
3, 6, 9, 11, 12, 13 (two occasions) and 18 October 1995
3 and 22 November 1995
1, 11, 20, 21, 22, 28 and 29 December 1995
2, 13, 15, 17, 19, 22, 25, 26 and 29 January 1996
7 and 11 February 1996
1 March 1996.
- (3) To provide additional seating capacity during peak travel times and to replace Westrail road coaches undergoing maintenance and servicing.

WESTRAIL - NARROGIN LOCOMOTIVE SHED AND CONTENTS, FUTURE

39. Hon BOB THOMAS to the Minister for Transport:

What is to become of the Narrogin locomotive shed and its contents?

Hon E.J. CHARLTON replied:

The locomotive shed is surplus to Westrail requirements; however, a decision on its future will not be made until Westrail's ongoing requirement for the adjacent structures depot has been

determined. The contents of the shed comprise track equipment which is being held in temporary storage.

WESTRAIL - CONTRACTS
Schedule 1083 Disposal of Material.

50. Hon BOB THOMAS to the Minister for Transport:

With regard to the contract for the disposal of material by Westrail as per schedule 1083 -

- (1) Which firm was awarded the contract?
- (2) What was the cost of the contract?

Hon E.J. CHARLTON replied:

- (1)-(2) Details of the material are as follows -

Atrac Machinery	\$20 510.00
CD Dodd	\$17 564.00
PG Andrews	\$50.00
CFC Holdings Pty Ltd	\$10 578.00
Garuda Trading Ltd	\$324.00
John Dowling	\$8 100.00
John Bozanich	\$130.00
J Getliher	\$13.50
Russell Lewis	\$362.00
Machinery Supply Pty Ltd	\$7 100.00
Maroubra Pastoral Company	\$25.00
Alan McKail	\$20.00
Midland Truck Sales	\$45.00
RA Netherway	\$27.00
Non Ferrous WA	\$5 457.60
Bradley Phillips	\$1 380.00
Keven Pollock	\$15.00
C Roskell	\$103.00
John Vaccaro	\$2 000.00
Peter Webb	\$1 590.00
G Webber	\$55.00

WESTRAIL - CONTRACTS
18656

53. Hon BOB THOMAS to the Minister for Transport:

With regard to Westrail contract No 18656 -

- (1) Which firm was awarded the contract?
- (2) What was the cost of the contract?

Hon E.J. CHARLTON replied:

- (1) A. Goninan and Co Ltd.
- (2) \$195 356.80.

WESTRAIL - CONTRACTS
Schedule 1065 Disposal of 60 Tonne Rail Crane and Attached Wagons

57. Hon BOB THOMAS to the Minister for Transport:

With regard to Westrail schedule 1065 for the disposal of a 60 tonne rail crane and attached wagons -

- (1) Which firm was awarded the contract?
- (2) What was the cost of the contract?

Hon E.J. CHARLTON replied:

- (1) The Pemberton Tramway Company Pty Ltd.
- (2) The equipment was sold for \$5 200.

WESTRAIL - UNSAFE RAIL WAGONS AT ESPERANCE REPORT

59. Hon BOB THOMAS to the Minister for Transport:

With reference to the report in the *Kalgoorlie Miner* on 23 June 1995 regarding unsafe rail wagons at Esperance -

- (1) How many wagons were found to be unsafe?

- (2) What problems were the wagons found to have?
- (3) What action did Westrail take to rectify the problem?
- (4) Did Westrail commission a report on this problem?
- (5) If yes, will the Minister make it available?

Hon E.J. CHARLTON replied:

- (1) None.
- (2) Bolts securing a retaining plate within the coupler equipment had become loose.
- (3) The nut was tack welded to the bolt to prevent a recurrence.
- (4) No.
- (5) Not applicable.

WESTRAIL - LOCOMOTIVES

Collision at Level Crossing near Esperance, May 1995; Repairs

61. Hon BOB THOMAS to the Minister for Transport:

- (1) Which two locomotives were involved in the level crossing collision near Esperance on 31 May 1995?
- (2) What was the extent of the damage?
- (3) Have the locomotives been repaired or will they be written off?
- (4) What is the cost of the repairs?

Hon E.J. CHARLTON replied:

- (1) Locomotives L269 and L272.
- (2) Locomotive L272 received minor damage to the engine and damage to the superstructure, fuel tank, brake gear and bogies. Locomotive L269 received damage to superstructure, fuel tank, brake gear and bogies.
- (3) Locomotive L272 has been repaired and locomotive L269 was written off.
- (4) Repairs to locomotive L272 cost \$195 356.80.

WESTRAIL - CONTRACTS

Schedule 1062, Disposal of Truck Mounted Uri Crane

63. Hon BOB THOMAS to the Minister for Transport:

- (1) Which firm was awarded the contract to dispose of the truck mounted Uri crane as per Westrail schedule 1062?
- (2) What was the cost?

Hon E.J. CHARLTON replied:

- (1) South City Truck Sales.
- (2) The vehicle was sold for \$18 500.

WESTRAIL - EXPRESSIONS OF INTEREST

Maintenance of Fire Suppression and Detection Systems

64. Hon BOB THOMAS to the Minister for Transport:

With regard to Westrail's call for expressions of interest on 29 July 1995 for maintenance of fire suppression and detection systems -

- (1) Which firm was awarded the contract?
- (2) What was the cost of the contract?
- (3) Would this work have been carried out in-house in the past?

Hon E.J. CHARLTON replied:

- (1) Wormald Australia Pty Ltd.
- (2) \$33 960.
- (3) No.

WESTRAIL - CONTRACTS

18652; Delivering Employee Assistance services

67. Hon BOB THOMAS to the Minister for Transport:

With regard to Westrail contract No 18652 -

- (1) Which firm was awarded the contract?
- (2) What was the cost of the contract?
- (3) What is involved in delivering employee assistance services?

Hon E.J. CHARLTON replied:

- (1) Icas Pty Ltd.
- (2) Employee assistance services will be provided at the rate of \$46 per hour.
- (3) Provision of professional counselling and assistance to employees and their families in areas such as marital, family, substance abuse, legal, psychological, and financial.

WESTRAIL - CONTRACTS

18679, Repair of Derailment Damaged Iron Ore Wagons

74. Hon BOB THOMAS to the Minister for Transport:

With regard to Westrail contract No 18679, repair of derailment damaged iron ore wagons -

- (1) Which firm was awarded the contract?
- (2) What was the cost of the contract?
- (3) Would this work have been carried out in-house in the past?

Hon E.J. CHARLTON replied:

- (1) Gemco.
- (2) \$99 949.65.
- (3) Yes.

WESTRAIL - CONTRACTS

18677 Conversion of up to 75 WFDF Class Wagons for Transportation of Sulphuric Acid

82. Hon BOB THOMAS to the Minister for Transport:

With regard to Westrail contract No 18677 for the conversion of up to 75 WFDF class wagons for the transportation of sulphuric acid -

- (1) Which firm was awarded the contract?
- (2) What was the cost of the contract?
- (3) Would this work have been carried out in-house in the past?

Hon E.J. CHARLTON replied:

- (1) A. Goninan and Co Ltd.
- (2) \$1.05m.
- (3) Yes.

WESTRAIL - COMMISSIONER'S INSPECTION COACH, SALE

84. Hon BOB THOMAS to the Minister for Transport:

- (1) Has Westrail offered for sale the commissioner's inspection coach?
- (2) To which firm was it sold?
- (3) Was this coach offered to any railway historical societies free of charge before it was advertised for sale?
- (4) If not, why not?
- (5) Did Westrail consult the Heritage Council of WA before it made its decision to sell this coach?
- (6) If not, why not?

Hon E.J. CHARLTON replied:

- (1) Yes.
- (2) The Victorian Railway Company Pty Ltd trading as West Coast Railway.
- (3) No.
- (4) The decision to offer the vehicle for sale was based on its commercial value as a relatively modern item of rollingstock in full operational condition. The vehicle was built in the late 1960s and converted to an inspection coach in the early 1970s; as such, its heritage value was not considered to be significant.

- (5) No.
- (6) See answer to (4).

WESTRAIL - CONTRACTS

18673 Repair of Collision Damage to Diesel Locomotives P2001, P2014, P2003, P2008

90. Hon BOB THOMAS to the Minister for Transport:

With regard to Westrail contract No 18673 for the repair of collision damage to diesel locomotives P2001, P2014, P2003 and P2008 -

- (1) Which firm was awarded the contract?
- (2) What was the cost of the contract?
- (3) Would this work have been carried out in-house in the past?

Hon E.J. CHARLTON replied:

- (1) Contract 18673 was not awarded. A subsequent contract was awarded to A. Goninan and Co Ltd for the repair of locomotives P2001 and P2014. A contract for repairs to locomotives P2003 and P2008 has not yet been awarded.
- (2) The contract cost for repairs to locomotives P2001 and P2014 was \$1 052 820.
- (3) Yes.

WESTRAIL - EXPRESSIONS OF INTEREST

Communications Consulting Engineers, Study in Communications Links for Remote Level Crossings

95. Hon BOB THOMAS to the Minister for Transport:

With regard to Westrail's call for expressions of interest on 2 September 1995 for communications consulting engineers to undertake a study in the availability and the provision of communications links for remote level crossings -

- (1) Which firm was awarded the contract?
- (2) What was the cost of the contract?
- (3) Would this work have been carried out in-house in the past?

Hon E.J. CHARLTON replied:

- (1) Consultel Australia.
- (2) \$18 000.
- (3) Yes.

WESTRAIL - PENSIONERS FREE TRAVEL FOR ONE JOURNEY; RESTRICTIONS

107. Hon BOB THOMAS to the Minister for Transport:

- (1) Approximately when did Westrail extend free travel, for one journey, to pensioners on its service?
- (2) Has the time at which this journey can be taken ever been restricted in the past?
- (3) When were those restrictions introduced and what was the nature of the restriction?
- (4) When were those restrictions lifted?

Hon E.J. CHARLTON replied:

- (1) 1974.
- (2) Yes.
- (3) Restrictions were introduced in 1976 for free travel over the Christmas/new year school holiday period.
- (4) December 1990.

WESTRAIL - PENSIONERS FREE TRAVEL FOR ONE JOURNEY; RESTRICTIONS

108. Hon BOB THOMAS to the Minister for Transport:

- (1) At what level was the decision made which restricts free pensioner travel on Westrail services during school holidays and peak travel periods.
- (2) Was the Minister involved at any stage of the decision making process?
- (3) If yes, what was the nature of the involvement?

- (4) Was the Premier's department involved at any stage of the decision making process?
 (5) If yes, what was the nature of the involvement?

Hon E.J. CHARLTON replied:

- (1)-(3) I was aware from the time of issue of the Criddle task force report on proposals to improve the quality of service provided by Westrail road coaches that the use of concession fares during peak travel times would be limited. The decision to introduce the restrictions on pensioner free travel was made by the Commissioner of Railways. I was informed by the commissioner of the decision, with which I concur. Pensioners are still able to use their 50 per cent travel concession during school holiday periods. Also, any seats remaining unsold 24 hours prior to departure are available for free pensioner travel on a standby arrangement.
- (4) No.
- (5) Not applicable.

JUSTICE, MINISTRY OF - JUVENILE JUSTICE TEAM
Family Conferences; Employees; Training

147. Hon CHERYL DAVENPORT to the Attorney General:

- (1) How many family conferences have been conducted by each juvenile justice team since the proclamation of the Young Offenders Act in March 1995?
- (2) How many full time and part time employees are allocated to each juvenile justice team?
- (3) What financial resources, including full and part time employees, have been made available to each full time and part time juvenile justice team for the 1995-96 financial year?
- (4) What role is played in the operation and administration of each juvenile justice team?
- (5) How many education and training sessions have been conducted for staff employed by the teams?
- (6) If none, why?
- (7) If training has been conducted, is it compulsory and how many sessions must each employee attend?
- (8) Is Aboriginal cultural awareness part of the training component?
- (9) Has a procedures manual for the conduct of a family conference been developed for the juvenile justice teams?
- (10) If not, why not?

Hon PETER FOSS replied:

- (1) The number of family conferences at metropolitan teams up to 12 December 1995 are as follows -

Thornlie	349
Midland	297
Fremantle	316
Wangara	477

Statistics related to each country location are not readily available.

(2)	Metropolitan	Employer	Full Time	Part Time	Total
	Wangara	MOJ	3	3	
		Police	1		7
	Midland	MOJ	3	1	
		Police	2		6
	Thornlie	MOJ	3	1	
		Police	2		6
	Fremantle	MOJ	3	1	
		Police	2		6
	Perth	MOJ	3	1	
		Police	2		6
		Total	24	7	31
	Country				
	16 locations	MOJ	0	16	
		Police	0	16	
		Total		32	

Sessionals are employed in country locations on a needs basis at different times dependent upon workload and cultural needs.

- (3) The juvenile justice team budget for 1995-96 is \$909 471. This related to ministry expenditure and does not include police resources or country resources which are met from existing operational budgets.
- (4) The juvenile justice team process is managed through a project leader who is responsible to a Regional Manager (Juvenile Justice).
- (5) Juvenile justice staff in the coordinator's role are all experienced staff who additionally underwent an initial orientation and training program. This involved a full week training package involving ministry and police staff. Country staff were also involved in a joint metropolitan/country training program. Ongoing consultation and training of additional or relieving staff continues regularly. A further training package for country staff is planned for April 1996.
- (6) Not applicable.
- (7) Yes; see (5).
- (8)-(9) Yes.
- (10) Not applicable.

WATER SUPPLY - COST

183. Hon TOM STEPHENS to the Minister for Employment and Training representing the Minister for Education:

For each department or agency within the Minister's portfolio area -

- (1) What was the cost for the supply of water for each of the following years -
 - (a) 1994-95; and
 - (b) 1995-96 (Budget estimate)?
- (2) What part of this expenditure in each of the years above was for water bills other than from the Western Australian Water Authority?

Hon N.F. MOORE replied:

I have been advised by the Minister for Education in the following terms -

Education Department

Due to the continuing process of devolution within the agency, a detailed breakdown of expenditure for water is not readily available.

Secondary Education Authority

- (1) Water invoices are sent directly to the Government Property Office. We are invoiced for water as part of an outgoings cost which is incorporated into our monthly rental.
- (2) Nil.

Country High School Hostels Authority

- (1)
 - (a) \$91 927;
 - (b) \$113 590.
- (2) None. (These figures include the eight residential colleges)

Education Policy and Coordination Bureau

- (1)
 - (a) \$4 164
 - (b) \$3 600
- (2) Office drinking water: - 1994-95 - \$192; 1995-96 - \$164.

Office of Non-Government Education

- (1) The cost of water supplied to the office by the Western Australian Water Authority is charged directly to the Secondary Education Authority as part of a corporate services agreement. The cost of this water is included in the SEA's return.
 - (a)-(b) See SEA's return.
- (2) Office drinking water: 1994-95 - \$242; 1995-96 - \$388.

WATER SUPPLY - COST

184. Hon TOM STEPHENS to the Minister for the Environment:

For each department or agency within the Minister's portfolio area -

- (1) What was the cost for the supply of water for each of the following years -
 - (a) 1994-95; and
 - (b) 1995-96 (Budget estimate)?
- (2) What part of this expenditure in each of the years above was for water bills other than from the Western Australian Water Authority?

Hon PETER FOSS replied:

Department of Conservation and Land Management

- (1)
 - (a) \$235 000
 - (b) \$226 000.
- (2) 1994-95 - \$76 000; 1995-96 - \$60 000.

Department of Environmental Protection

- (1)-(2) Nil.

Water and Rivers Commission

- (1)-(2) Nil.

Kings Park and Botanic Garden

- (1)-(2) Nil.

Perth Zoo

- (1)
 - (a) \$24 707
 - (b) \$25 252.15.
- (2) None.

TELECOMMUNICATIONS - EXPENDITURE

193. Hon TOM STEPHENS to the Minister for Employment and Training representing the Minister for Education:

- (1) What was the total telecommunications expenditure for each department or agency within the Minister's current portfolio areas for each of the following years -
 - (a) 1994-95; and
 - (b) 1995-96 (Budget estimate)?
- (2) What part of this expenditure in each of the years above was for telecommunications expenditure other than Telstra phone accounts?

Hon N.F. MOORE replied:

I have been advised by the Minister for Education in the following terms -

Education Department: Due to the continuing process of devolution within the agency, a detailed breakdown of expenditure for telecommunications is not readily available.

Secondary Education Authority

- (1)
 - (a) \$24 283
 - (b) \$25 000.
- (2) Nil.

Country High School Hostels Authority

- (1)
 - (a) \$73 259
 - (b) \$73 750. These figures include the eight residential colleges.
- (2) Nil.

Education Policy Coordination Bureau

- (1)
 - (a) \$15 453
 - (b) \$20 000.
- (2) Not applicable.

Office of Non-government Education

- (1)
 - (a) \$3 619
 - (b) \$3 600.
- (2) Nil.

TELECOMMUNICATIONS - EXPENDITURE

194. Hon TOM STEPHENS to the Minister for the Environment:

- (1) What was the total telecommunications expenditure for each department or agency within the Minister's current portfolio areas for each of the following years -
 - (a) 1994-95; and
 - (b) 1995-96 (Budget estimate)?
- (2) What part of this expenditure in each of the years above was for telecommunications expenditure other than Telstra phone accounts?

Hon PETER FOSS replied:

Department of Conservation and Land Management

- (1)
 - (a) \$2 100 573
 - (b) \$2 080 000.
- (2)
 - (a) \$871 342
 - (b) \$880 000.

Department of Environmental Protection

- (1)
 - (a) \$145 000
 - (b) \$120 000.
- (2)
 - (a) \$719
 - (b) \$2 000.

Water and Rivers Commission

- (1)
 - (a) The commission was not in existence for the 1994-95 year.
 - (b) \$226 300.
- (2)
 - (a) See (1)(a)
 - (b) \$50 300.

Kings Park and Botanic Garden

- (1)
 - (a) \$39 471
 - (b) \$27 950.
- (2)
 - (a) \$1 000
 - (b) \$1 000.

Perth Zoo

- (1)
 - (a) \$54 222.33
 - (b) \$53 000.
- (2)
 - (a) \$222.
 - (b) The majority of the zoo's telecommunications budget is for Telstra telephone accounts. It is not possible at this stage to determine an amount for expenses other than Telstra telephone accounts.

OFFICE ACCOMMODATION - RENTAL COSTS

203. Hon TOM STEPHENS to the Minister for Employment and Training representing the Minister for Education:

- (1) What was the total cost for the rental of office accommodation for each department and agency within the Minister's portfolio area for 1994-95?
- (2) What are the estimates of expenditure for 1995-96 for the rental of -
 - (a) office accommodation for each department and agency within the Minister's portfolio area; and
 - (b) other rental costs?

Hon N.F. MOORE replied:

I have been advised by the Minister for Education in the following terms -

Education Department

- (1) Total cost of rental including outgoings for the Education Department for 1994-95 was \$7 230 832.
- (2)
 - (a) Estimated rental including outgoings for 1995-96 is \$7 192 000.
 - (b) Other rental costs including preprimary site leases are estimated at \$131 000 for 1995-96.

Secondary Education Authority

- (1) \$348 308.
- (2) (a) \$348 000
- (b) Nil.

Country High School Hostels Authority

- (1) \$41 312
- (2) (a) \$9 478
- (b) Nil.

Education Policy Coordination Bureau

- (1) \$126 169.
- (2) (a) \$171 000 which includes rental to temporarily accommodate the Education Act review project.
- (b) Not applicable.

Office of Non-government Education

- (1) Rental of office accommodation for 1994-95 - \$27 816.
- (2) (a) Rental of office accommodation for 1995-96 - \$33 000.
- (b) Nil.

OFFICE ACCOMMODATION - RENTAL COSTS

204. Hon TOM STEPHENS to the Minister for the Environment:

- (1) What was the total cost for the rental of office accommodation for each department and agency within the Minister's portfolio area for 1994-95?
- (2) What are the estimates of expenditure for 1995-96 for the rental of -
 - (a) office accommodation for each department and agency within the Minister's portfolio area; and
 - (b) other rental costs?

Hon PETER FOSS replied:

Department of Conservation and Land Management

- (1) \$350 892.
- (2) (a) \$236 153
- (b) \$8 779.

Department of Environmental Protection

- (1) \$1 749 000.
- (2) (a) \$1 720 000
- (b) \$1 000.

Water and Rivers Commission

- (1) \$150 491.
- (2) (a) \$452 000 - rent
- (b) \$9 000 - rates and taxes.

Kings Park and Botanic Garden

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

Perth Zoo

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

OFFICE ACCOMMODATION - RENTAL COSTS

210. Hon TOM STEPHENS to the Minister for Transport:

- (1) What was the total cost for the rental of office accommodation for each department and agency within the Minister's portfolio area for 1994-95?
- (2) What are the estimates of expenditure for 1995-96 for the rental of -

- (a) office accommodation for each department and agency within the Minister's portfolio area; and
- (b) other rental costs?

Hon E.J. CHARLTON replied:

- (1) This question is similar to question on notice 722 of 1995 part (3)(i), to which a response has been given.
- (2) (a) Department of Transport - \$1 810 000
Main Roads Western Australia - \$346 500
MetroBus - \$68 000
Westrail - \$31 135.
- (b) This question is similar to question on notice 722 of 1995 part (3)(ii), to which a response has been given.

OFFICE ACCOMMODATION - LEASED, COSTS

240. Hon TOM STEPHENS to the Minister for Transport:

- (1) What was the total cost for the office accommodation leased for each department or agency within the Minister's portfolio area for 1994-95?
- (2) What are the estimates of costs associated with leased office accommodation for those same departments or agencies for the current financial year?

Hon E.J. CHARLTON replied:

This question is similar to question on notice 210 of 1996 to which a response has been given.

QUESTIONS WITHOUT NOTICE

STATE BUDGET - REVENUE INCREASE

200. Hon JOHN HALDEN to the Minister for Finance:

In today's Budget speech the Minister read the quaint phrase: Commonwealth expenditure has spiralled out of control in the 13 years in which the Federal Labor Government has been in power.

- (1) Has state government revenue increased by 26 per cent from \$5.5b in 1992-93 to an estimated \$6.925b in 1996-97?
- (2) Does this not prove beyond any doubt that this Liberal Government is the highest taxing Government in the history of Western Australia?

Hon E.J. Charlton: Instead of being the highest loss Government in 50 years!

The PRESIDENT: Order!

Several members interjected.

The PRESIDENT: Order! When I stand, members will come to order. If members want to have question time, we will have question time with a little decorum.

Hon MAX EVANS replied:

- (1)-(2) No.

ROADS - NETWORK CONDITION AND LEVEL OF SERVICES, BUDGET CUT

201. Hon JOHN HALDEN to the Minister for Transport:

Division 36 of the 1996-97 Program Statements under significant issues and trends states -

The limited life of sealed roads means that many of the roads constructed in Western Australia during the economic and resource development boom in the early 1950's through to the 1970's are now approaching the limit of their economic lives. This factor, when combined with the significant increase in road freight traffic which is expected to double in the next ten years, is resulting in increasingly higher maintenance costs and a significant increase in the need for asset replacement works.

Why then has Main Roads' budget relating to network condition and the level of services been cut from \$170.3m to \$133.75m in recurrent terms, and from \$198.7m to \$151m in capital terms in this year's Budget?

Hon E.J. CHARLTON replied:

In this year's Budget there was a carry over of about \$48m, and this year's proposed figures are based on a net operation for the year.

TAXATION - EQUALISATION REGIME

202. Hon JOHN HALDEN to the Minister for Finance:

- (1) Is the application of a state taxation equalisation regime on government-owned service providers, such as the Water Corporation, an imposition of a goods and services tax by stealth?
- (2) How can a tax on a service provider which must be met by consumers be described in any terms other than a goods and services tax?

Hon MAX EVANS replied:

- (1)-(2) The old State Energy Commission of Western Australia, the old Water Authority of Western Australia, and the port authorities all had a statutory levy based on turnover which the previous Government increased from 3 per cent to 5 per cent. This Government is trying to replace that levy by a rate of 33 per cent on profits rather than on the turnover. Western Power has a huge turnover but a very small margin, and the Water Corporation is not much different. This is what Hilmer has said should be done. It is not a GST; it is a corporate tax and is also to offset what might be in the community service obligations.

STATE BUDGET - WATER CORPORATION, INCREASED REVENUE

203. Hon JOHN HALDEN to the Minister for Finance:

I refer the Minister to the 1996-97 budget estimates. The Water Corporation, one of the instrumentalities the Minister just mentioned, will see an increase in revenue to the State from \$15m last year to \$169 this year. How much of that will be passed on to consumers to pay for?

Hon MAX EVANS replied:

I am sorry the member has not gone through the budget papers. Under miscellaneous services in the Program Statements is an amount of \$184m to be paid by the Government for community service obligations. This is a payment which comes out in a couple of forms; one is a tax and the other is a rating. It is still a surplus to the Water Corporation.

ABROLHOS ISLANDS ADVISORY COMMITTEE

204. Hon KIM CHANCE to the Minister representing the Minister for Fisheries:

Some notice has been given of this question. With regard to the appointment of the Abrolhos Islands Advisory Committee, will the Minister provide both the residents of the mid west and the local fishing industry with -

- (1) An explanation of why the Minister did not consult with local members on the appointment of that advisory committee, even to the point of ignoring members of his Government;
- (2) how the interests of local residents will be adequately represented, given that the majority of the committee is constituted by members who are not even residents of the mid west;
- (3) how the interests of the local fishing industry will be adequately represented, given that such a key stakeholder is only one representative on the committee;
- (4) why the Minister is not now prepared to undertake to consult with local members and the fishing industry on the structure of the committee?

Hon E.J. CHARLTON replied:

I am sorry, but I do not have the response to that question. If the member places it on notice, I will have it dealt with.

EDUCATION - ABORIGINAL SPEAKERS PROGRAM

205. Hon TOM STEPHENS to the Leader of the House representing the Minister for Education:

Will the State Government seek funds from the Commonwealth Government to maintain the Aboriginal speakers program for Western Australian schools?

Hon N.F. MOORE replied:

I thank the member for some notice of this question. At the forthcoming commonwealth-state national Aboriginal education policy bilateral negotiations the Education Department of Western Australia will seek the continuation and extension of the Aboriginal speakers program. The program has been a core component of bringing the Aboriginal community into schools, and is valued by the major education providers in Western Australia.

NORTHERN SUBURBS - FAMILIES IN FINANCIAL DIFFICULTY

206. Hon SAM PIANTADOSI to the Minister representing the Minister for Family and Children's Services:

- (1) Is the Minister aware that Perth's far northern suburbs have the biggest youth population in the city, with few public facilities, including no buses after 6.45 pm?

- (2) Is the Minister aware that welfare sources have described Merriwa and Clarkson as enclaves for the working poor?
- (3) Is the Minister aware that most of the homes in the region are basically unfurnished, and are filled by families having been lured by the promise of low cost housing?
- (4) Is the Minister aware that most families have mortgaged themselves to the hilt and are struggling to repay financial commitments such as water and gas bills, rates and school fees?
- (5) Is the Minister aware that the Salvation Army, which is the only welfare agency in this geographically isolated community, is struggling to contain and minimise domestic violence, child abuse and family breakdown?
- (6) What action does the Government propose to help alleviate the problems that the above communities are facing?
- (7) What assistance will it render to the Salvation Army to continue its good work?

Hon E.J. CHARLTON replied:

I thank the member for some notice of this question.

- (1)-(7) The Minister is aware that the City of Wanneroo has one of the highest populations in the metropolitan area and that the northern suburbs is an area of rapid growth. The Department for Family and Children's Services has identified the need for more services in the area. In addition to the services delivered directly by FCS through its Joondalup district officer, almost 50 non-government services in the northern suburbs are funded by it. These services include the Patricia Giles Centre Incorporated, Wanneroo accommodation and support service, financial counselling, the Jenolan Way Community Centre and a number of services that support families and children. In 1995-96 the Salvation Army received \$1.9m from FCS. The Joondalup district office of FCS works closely with the Salvation Army and other welfare agencies in the area.

PROSTITUTION - POLICE CONTAINMENT POLICY

207. Hon REG DAVIES to the Leader of the House representing the Minister for Police:

In respect of the illegality of prostitution -

- (1) Does the containment policy have legal status?
- (2) Can prostitutes be charged with offences under the containment policy?
- (3) Why is there a need to keep prostitution illegal?
- (4) Is the Government considering legalising or decriminalising prostitution?
- (5) Who is advantaged or what advantage does illegality serve?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

I have been advised by the Minister for Police in the following terms -

- (1) No.
- (2) The containment policy is an unwritten policy which sets out guidelines for certain brothels and massage parlours. However, persons can be charged for any breaches of state legislation.
- (3)-(5) The Government recognises that there are problems with the current policy of containment and is seeking to develop a legislative framework for the regulation of the sex industry in Western Australia.

BUILDING MANAGEMENT AUTHORITY - TENDERS AND REQUESTS FOR PROPOSALS, DIFFERENCE

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

In answer to question without notice 1003 of 1995, the Minister explained the difference between a tender and a "request for proposal". I now ask -

- (1) Does the Minister still acknowledge that a request for proposal is not a tender?
- (2) Does the Minister acknowledge that the policy statement he claims governed the letting of the \$15m Building Management Authority facilities management contract does not authorise use of requests for proposal in substitution for a tender?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) As stated in answer to question without notice 1003 of 1995, a request for proposal is but one of the mechanisms used in the public tendering process. I will quote from an extract of the model procedures the State Supply Commission offers to agencies undertaking their own purchasing as follows -

The request for proposal principles are identical to a Request for Tender and the procedures are the same. However, the Request for Proposal affords more flexibility on potential offers than a Request for Tender but is still capable of developing into a contract at the completion of the evaluation.

I will table the State Supply Commission document titled "Public Tender Process".

[See paper No 273.]

(2) No.

CONSOLIDATED FUND ESTIMATES - WESTERN AUSTRALIAN RAILWAYS COMMISSION

209. Hon KIM CHANCE to the Minister for Transport:

My question relates to the Consolidated Fund Estimates for the current year. Will the Minister explain to the House why no estimates are shown for the Western Australian Railways Commission?

Hon E.J. CHARLTON replied:

I went through this some weeks ago. I will obtain the detailed information for the member next week. I understand there has been a change in the process whereby the funding comes out of its own operation. I will check on it and advise the member accordingly.

PENINSULA CARAVAN PARK, MANDURAH

210. Hon J.A. COWDELL to the Leader of the House representing the Minister for Lands:

Will the Minister indicate government policy on the future use of crown land currently occupied by the Peninsula Caravan Park in Mandurah?

Hon N.F. MOORE replied:

I thank the member for some notice of this question. The Peninsula Caravan Park site is within the foreshore precinct being studied by the Mandurah ocean marina task force, which will be reporting to Cabinet in July 1996. The Government's policy relating to the caravan park site will be formulated in the context of the task force's report to Cabinet.

HEALTH - GASCOYNE HEALTH SERVICE

211. Hon TOM STEPHENS to the Leader of the House representing the Minister for Health:

- (1) For what specific purpose is the \$198 100 which was recently allocated to the Gascoyne Health Service?
- (2) Precisely how is it proposed that these funds will be allocated throughout the health service of the Gascoyne?
- (3) Will the Minister give a breakdown of the allocation and advise how much out of the \$198 000 has been allocated to the Carnarvon Regional Hospital?

Hon N.F. MOORE replied:

I thank the member for some notice of this question. I advise the member that I do not have an answer to his question and I ask him to put it on notice.

POLYCHLORINATED BIPHENYLS - TYPE AND VOLUMES

212. Hon J.A. COWDELL to the Leader of the House representing the Minister for the Environment:

I refer to the article in *The West Australian* on Friday, 29 March concerning the transport of polychlorinated biphenyls to Western Australia.

- (1) What waste will be brought into Western Australia for treatment locally?
- (2) What will be the volume of each type of waste?
- (3) What wastes are exported to the Eastern States?
- (4) For each waste, what is the volume and destination?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1) Quantities of PCBs and organochlorine waste suitable for destruction in the Environmental Solutions International plant under the terms of the Environmental Protection Act licence.
- (2) The exact amount is not known at present, but generally will involve small shipments of waste. It is anticipated that once the bulk of PCBs and organochlorine wastes already stockpiled in Western Australia have been treated, the ESI plant will be moved to the Eastern States to treat large stockpiles of waste which still require treatment. Once the plant has moved to the Eastern States it is unlikely that it will return to Western Australia and it will then be necessary to transport any

residual amounts of PCBs and organochlorines remaining in Western Australia to the Eastern States for destruction.

(3)-(4)

I am advised that Western Australia currently exports a range of wastes to the Eastern States because disposal or treatment facilities do not exist in Western Australia at present. The following are wastes known to have been shipped to Eastern States destinations -

Waste	Volume	Destination
Used Lead Acid Batteries	approx. 6 000 tonnes per year	Victoria
Lead Wastes from Gold Assay Laboratories	approx. 300 tonnes per annum	South Australia
PCBs (transformer oils)	100 tonnes (one off shipment)	Queensland
PCBs (lighting capacitors)	Various small shipments (approx. 5-10 tonnes per year)	Queensland and South Australia
Waste Solvents, pesticides and chemicals	20-50 tonnes per year	South Australia
Dry recyclables (mainly plastics and liquid paper board)	Many hundreds of tonnes per year	New South Wales and Victoria

At present there is no legal requirement for a tracking system for the interstate movement of all wastes; therefore, this list is not comprehensive. The Government is currently developing a tracking system which will be compatible with the national hazardous waste manifest system.

POLICE - CHILD SEXUAL ABUSE UNIT

213. Hon REG DAVIES to the Leader of the House representing the Minister for Police:

I recently visited the child sexual abuse unit of the Police Department and was concerned at the conditions under which it operates.

- (1) Has the department acquired new premises to relocate its staff - a more appropriate venue with sufficient space to house police?
- (2) Can the Minister assure the House that the move from the current premises will occur within the next six months?
- (3) For how long has the move been proposed?
- (4) Does the Government propose to honour its commitment to provide staff members with a more appropriate number of vehicles to enable them to execute their tasks?
- (5) In the light of the New South Wales royal commission's revelations of organised paedophile groups spilling over into other States, does the Government propose to increase the number of investigative staff in this department to ensure proper investigation of cases coming to its attention?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

The Commissioner of Police has advised as follows -

- (1) To date no, but the process is under way.
- (2) No. However, the Police Service is currently examining the issue of relocating the police child abuse unit and the service is working towards a deadline of January 1997.
- (3) The matter of relocation of the police child abuse unit has been under discussion for 12 months.
- (4) The allocation of resources within the Police Service is not a responsibility of the Government's. The allocation of specific resources within the service is a legislated role of the Commissioner of

Police. However, the number of motor vehicles is not a recorded concern of the child abuse unit.

- (5) Again, the allocation of resources and manpower within the Police Service under Western Australian legislation is the sole responsibility of the Commissioner of Police. However, the unit has assured the commissioner that personnel numbers are sufficient to provide a quality service. It is envisaged that the establishment of the sexual assault squad on 17 June 1996 will complement the efforts of the child abuse unit.

ROADS - TONKIN HIGHWAY, SOUTHERLY EXTENSION

214. **Hon A.J.G. MacTIERNAN to the Minister for Transport:**

What is the current status of proposals to extend Tonkin Highway south beyond Albany Highway and, in particular, what funds have been committed to the project and when is it scheduled to take place?

Hon E.J. CHARLTON replied:

I thank the member for some notice of the question. The location of Tonkin Highway from Albany Highway south to Mundijong Road has been now fixed and is in the metropolitan region scheme. As a result land is being progressively acquired as part of the planning process. Construction priority has yet to be determined but will be reviewed as part of the normal procedures associated with the 1997-98 road program considerations.

TRANSPORT - MOTOR VEHICLE LICENSING PERSONNEL

215. **Hon SAM PIANTADOSI to the Minister for Transport:**

- (1) Will the Minister confirm that there is a shortage of personnel in the motor vehicle licensing section of his ministry?
- (2) Will he also confirm that services at the Fremantle licensing centre will be disrupted over the next few weeks because of this shortage?
- (3) Has this been caused by seconding personnel from this area to other positions?

Hon E.J. CHARLTON replied:

- (1)-(3) I would not agree that there is a shortage of people. Since matters to do with licensing were transferred from the Police Department to the Department of Transport, there has been a re-evaluation of the operation to work out whether improvements can be made in the delivery of services to the public. I think it is important to recognise that the Government's role in all operations is to ensure that the public is serviced properly. That means that, from time to time, the administration of many of these operations will be changed. The East Fremantle office was closed because there were termites in the building which made it unsafe. Vehicle inspections are still carried out there. Delivery of many of the services to the public has become inefficient. That is not a criticism of the people who deliver them; the system was inefficient. We are therefore trying to change them.

Hon Sam Piantadosi: Is there any shortage of personnel?

Hon E.J. CHARLTON: No.

ROADS - ABORIGINAL COMMUNITIES

216. **Hon MARK NEVILL to the Minister for Transport:**

In respect of the state funding of access roads to remote Aboriginal communities -

- (1) Will the Minister ensure that the Western Australian Local Government Grants Commission Aboriginal roads committee is represented in the decision making process for these grants?
- (2) If not, why not?

Hon E.J. CHARLTON replied:

I thank the member for some notice of the question.

- (1)-(2) I will ensure the Western Australian Local Government Grants Commission Aboriginal roads committee is consulted by Main Roads Western Australia on this important issue. As the member knows, we will continue to promote the proposal that we put forward to the previous Federal Government to the present Federal Government to increase the funding and to allow self-determination of operations including the training of Aboriginal people to carry this work. A number of proposals are currently in operation at Cape Leveque in addition to that at Fitzroy Crossing. There is also a proposal to change the access. I will ensure that the consultation process is in place.

STATE BUDGET - WATER CORPORATION

217. **Hon JOHN HALDEN to the Minister for Finance:**

The question relates to a previous answer the Minister provided.

- (1) Does the Water Corporation have FTEs?

- (2) Is the money paid out of consolidated revenue?
- (3) If so, why is it not a separate division in the Budget and not just obliquely referred to in miscellaneous services?

Hon MAX EVANS replied:

I ask the member to put the questions on notice. I would like to correct a previous answer I gave. The amount is \$191m.

Hon John Halden: That is the purpose of my question.

Hon MAX EVANS: Under the legislation, the Water Authority had to put about \$35m into the corporation. That has been done but is not included in that figure.

COMMERCE AND TRADE, DEPARTMENT OF - "WA 2029, STAGE II"
REPORT

218. Hon A.J.G. MacTIERNAN to the Minister representing the Minister for Commerce and Trade:

- (1) Does the Minister for Commerce and Trade agree with the report commissioned by his department entitled "WA 2029, Stage II" where one of the key threats for the State was identified as, "social inequities rise in WA with the creation of a well paid and poorly paid division of labour"?
- (2) Is the Minister concerned that the system of workplace agreements may intensify that threat?
- (3) What steps does the Government intend to take to address this threat, as identified?

The PRESIDENT: Order! I have already explained, the member cannot seek opinions.

Hon A.J.G. MacTIERNAN: I am keen then to have an answer to part (3) of that question.

The PRESIDENT: I was about to tell the Minister that he can answer part (3).

Hon N.F. MOORE replied:

Part (3) is answered by (1). The answer is as follows -

- (1) The WA 2029 Stage II study was commissioned to evaluate two possible scenarios of the State's development some 33 years from now. The authors obviously thought that social inequities might pose a threat. It is up to the successive State Governments between now and 2029 to ensure that social inequalities do not increase.
- (2) No.
- (3) Answered by (1).

STATE BUDGET - KWINANA FREEWAY EXTENSION

219. Hon J.A. COWDELL to the Minister for Transport:

Will the Minister confirm that there is no allocation in this year's Budget for the extension of the Kwinana Freeway to Folly Road?

Hon E.J. CHARLTON replied:

I can confirm that. It is planned to do that work in the 10 year road program. The only question about that road or any other road is that if it is not done on the date stated, it will be done before. That is how this Government operates. It only brings projects forward; it never puts them off. We will always consider funding options from outside sources to assist -

Hon J.A. Cowdell: Will that involve an increase in the fuel tax?

Hon E.J. CHARLTON: No. We have assistance from local government, developers and other people who have come forward with suggestions of how to bring that project forward. There is no money in this year's Budget. However, we are considering option to bring construction forward.

TRANSPORT - ROAD TRAINS, COMPLAINTS

220. Hon JOHN HALDEN to the Minister for Transport:

Will the Minister confirm to the House his public statements reported in *The West Australian* that he had not received one complaint concerning the impact of road trains in the metropolitan area either at his ministerial office or at the Department of Transport?

Hon E.J. CHARLTON replied:

I made that statement when one of my friends at *The West Australian* approached me -

Hon John Halden: They have worked you out!

Hon E.J. CHARLTON: The journalist said that the newspaper had a copy of a report by the Select Committee on Heavy Transport. I said that I had not seen the report and therefore I should not comment

on it. The reporter went on to tell me that road trains were very unsafe; that they caused a range of problems in the community, and so on.

Hon John Halden: The concerns exist, do they not?

Hon E.J. CHARLTON: Concern is probably caused by people like the Leader of the Opposition who see a significant political advantage in creating fear and smear about the way heavy haulage operates in Western Australia. When the report is handed down, I look forward to responding to it.

Road trains - not long vehicles - run from the north of the State down the Great Northern Highway to certain depots. I was at the Swan Shire Council recently. It had not received any complaints, and nor have I.
