



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
SECOND SESSION
1999

LEGISLATIVE COUNCIL

Wednesday, 23 June 1999

Legislative Council

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

PETROLEUM SAFETY BILL

Assent

Message from the Governor received and read notifying assent to the Bill.

SCHOOL FEES

Petition

Hon J.A. Cowdell presented the following petition bearing the signatures of 15 persons -

To the Honourable the President and members of the Legislative Council of the Parliament of Western Australia in Parliament assembled.

We the undersigned residents of Western Australia request that the Legislative Council maintain the principle of free, compulsory and secular education in Western Australian schools.

Your petitioners, therefore respectfully request that the Legislative Council amend the School Education Bill to prevent the Government from introducing compulsory and enforceable fees of \$60 per annum for each primary school student, and \$235 per annum for each secondary school student or any higher amount.

Your petitioners believe that compulsory fees would be an unwarranted charge on struggling families and lead to increasing reliance on compulsory fees to fund state schools.

Your petitioners request that the current system of voluntary school amenities fees, with payment for special events and services be maintained.

And, your petitioners as in duty bound, will ever pray.

[See paper No 1152.]

SELECT COMMITTEE ON IMMUNISATION AND VACCINATION RATES IN CHILDREN

Report

Hon B.M. Scott presented a report from the Select Committee on Immunisation and Vaccination Rates in Children requesting that the committee have power to present a report of the committee to the President as if it were a committee to which Standing Order No 338 applied, and that the provisions of that standing order apply accordingly, and on her motion it was resolved -

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

[See paper No 1153.]

STANDING COMMITTEE ON PUBLIC ADMINISTRATION

Inquiry into Government Proposals for Westrail Freight Operations and Associated Infrastructure - Motion

Resumed from 17 June on the following motion -

That the House direct the Standing Committee on Public Administration to inquire into government proposals for the sale or lease of Westrail freight operations, track network, rolling stock and associated infrastructure.

HON W.N. STRETCH (South West) [4.06 pm]: The other night when we adjourned this debate I was indicating my support for the matter to be referred to the Public Administration Committee, although I am not totally convinced that it should be referred. I was expressing some ideas that would help the committee keep its investigations on line. I was referring to my first experience with rail freight when I came to Western Australia in 1954. I think Hon Kim Chance appreciated the difficulties we faced of forcing wool bales into totally inappropriate wagons because the Government had regulated all rail freight. My point in raising that is that there is little that we have not tried in attempting to make the railway systems in Western Australia profitable.

In those days we were forced by regulation to put freight onto rail. It was the only way the railways were seen to have any chance of developing sufficient business to make a profit. Even with total regulation the then WA Government Railways suffered unsustainable losses. With very strong pressure from the farming lobby particularly, we managed to squeeze in a small amount of deregulation by saying that if a farmer carted something on his own truck for a certain distance he could then back load with an equivalent amount of his own supplies, such as farm requisites. Farmers would take a quarter of a load of unnecessary freight to Perth so that they could bring back a full load. It was challenged in the court and after a long period it was finally resolved that we could take as little as two sewn bags of oats as a forward load and take back 10 tons of super as a full load. That was ridiculous, but that is an example of what can occur when we play around with these systems. We tried a small amount of deregulation which gradually increased; yet rail still could not cope with the challenge of the overall state freight task.

We have now reached the stage at which rail is almost fully deregulated. That took a long time. I pass over many of the trials and tribulations involved which are not really relevant to this debate. However, it is relevant to recount an attempt by a Labor Government to close a rail siding near the Kojonup line. The shire president was asked to chair a meeting, to which he responded, "I have mixed feelings about chairing this meeting. I am regulated to cart my wool to the nearest siding. It is funny that it still takes as long to take produce to the siding and for it to be railed to Albany as it took my father 30 years ago when he put it on a wagon and took it straight to the port." That comment made everyone stop and think.

That illustrates that both sides of Parliament have had a go at making railways pay, and neither side has been particularly successful. The iron ore industry in the north transports a large heavy bulk load from one destination to another, and this operation opened people's eyes to the fact that a dedicated load and route can pay railways handsomely. Only a conveyor belt could compete with such transportation.

The Standing Committee on Public Administration must look carefully at the reasons for leasing out and trying to get a private company or companies to take on this operation. This new approach would relieve state finances of the severe burden of running a heavy freight railway system. I applaud the Minister for Transport and his predecessor for biting the bullet. The current situation cannot be sustained with the losses involved. Unpopular as the idea may be, particularly among the minister's and my constituents, we will have a go at making the system work. As we will lease and not sell the permanent way, we will have a chance to try out a new system without literally burning our bridges. The rolling stock has a limited life and can be replaced as required. The cost of keeping the freight operation going is increasingly difficult - almost unsustainable - for taxpayers to meet.

My message to committee members is as follows: They should drop their politics when looking at this issue and take a hard look at it as a committee. The Public Administration Committee has the opportunity to take a hard look at this proposal virtually from an eagle-eye perspective. Remember that nearly everything else has been tried before. Do not go in with blinkered vision. All previous ministers with responsibility for railways have cut staff, which no-one likes to do. However, one must look back over the years at the size of the task involved. The dynamics of rail transport have changed. Consider carefully how one will make it continue within a new set of parameters. It is a very difficult process. We have long distances but not necessarily the dedicated loads on these routes. It is time a private company looked at tackling the task in a different manner, thereby taking a large load off the public purse. This will make more funding available for other work we desperately need to carry out. In other words, one must look hard around the world - I have not done so yet - to find any railway that is run better by a Government than by a specialised railway company. My colleague who was in the other House but is now retired, Hon Richard Lewis, used the unfortunate phrase of "Government sticking to its knitting". It has a certain truth, although it was taken in the wrong context by certain voluble people in that House. In reality, is running a railway the best way that government can spend its dollars?

The committee must look beyond whether unions will lose numbers, or farmers will need to cart grain a little further. It must look a long way into the future to consider the overall benefit to the State. It is like running a farm: One must plan a long way ahead. One tends to look at things from a three or four-year perspective in this place, depending on the frequency of elections, which is probably the worst way possible to contemplate such long-term projects. The committee system presents a bipartisan means of considering such matters. I am sorry that the Chairman of the Public Administration Committee is away on parliamentary business, as he understands my point. He has experience and a broadness of mind to ensure the task is carried out fairly and objectively. If it is done in that spirit, I have no doubt the committee will arrive at a good solution. It could be that the committee finds that this proposal is not the right way to go. I am sure if the task is fairly and properly carried out, with properly presented figures, the Government will be happy to look at it and take the committee's contribution on board.

I was not encouraged by some of the earlier speakers in this debate who wanted to home in on politics. This matter is far bigger than partisan politics. It is a genuine investment decision which must be made by members in this Parliament on behalf of the people we serve - that is, the taxpayers. If the correct approach is not adopted, people will miss out in one way or another. The committee must consider the issue hard and well, and approach it with diligence and fairness. I am sure the committee can add considerably to the process. I wish the minister well, as this proposal is a good concept which is important for the State. I ask that the committee approach its task in a manner that will benefit the State.

HON NORM KELLY (East Metropolitan) [4.18 pm]: The Australian Democrats support this motion, as it is important that a parliamentary committee look at this issue; namely, not the potential sale of Westrail's freight business, but effectively the sale of Westrail's freight network. Although the Minister for Transport issued a media release in March stating that the Government did not intend to sell the track, the proposal for a very long lease of the track is similar to the potential sale of the Westrail rail network.

As stated in the Rail Freight Sale Task Force literature, the average profit for Westrail freight is about \$140m a year.

Hon M.J. Criddle: That is operating profit.

Hon NORM KELLY: Indeed. Westrail has debt of over \$530m, and is accruing further debt of about \$120 000 a day.

Hon Bob Thomas: Will the private operator acquire debt to purchase this operation?

Hon NORM KELLY: I believe a private operator would seek an incentive loan. A little conflict arises here. It is said that the proceeds of the sale will be used to retire debt, and it is agreed that this purpose will be achieved. However, differing statements have been made about where excess moneys would be directed once debt has been retired. The Premier said that the extra money would go into funding the south west metropolitan corridor rail link.

Hon M.J. Criddle: When did he say that?

Hon NORM KELLY: I understand that he outlined in the budget papers that the proceeds from the AlintaGas and Westrail's freight business sales would go into that project. The Premier said that these excess proceeds would not be used in the metropolitan area but that the entire excess proceeds would be used in the country region. The Australian Democrats' focus will be on what the Government proposes to do with the proceeds.

The biggest issue is whether the business should be sold. There are environmental benefits for the Westrail business in having the Government retain a significant level of control over the entire transport network. This includes the integrated use of rail, road and port facilities. If the Westrail network is sold, the Government could potentially lose its ability to encourage proper utilisation of those resources for the best environmental outcome.

Hon M.J. Criddle: This is about getting more freight onto rail rather than road.

Hon NORM KELLY: Yes, this is about utilising existing infrastructure because, for instance, if the Esperance port facility were upgraded and a private rail operator downgraded the Kalgoorlie-Esperance rail link, a government port facility would be underutilised. We want the Government to maintain the ability to channel freight to the best advantage for the efficient use of resources and in turn provide a far better income by minimising the actual resources needed to move that freight.

Hon M.J. Criddle: This is exactly what this debate is all about.

Hon NORM KELLY: The Government also has a responsibility in the development of regional areas to ensure that the maintenance of all three modes of the transport network is kept up to scratch. The Government can ensure that regional centres such as Esperance can grow and develop because of the Government's commitment to fully utilising those transport facilities.

Hon M.J. Criddle: That is one of our current pressures. We need to spend money to ensure that one facility is up to scratch; that is the difficulty we have.

Hon NORM KELLY: That is right and of course one of the most obvious questions concerning the Koolyanobbing iron ore mine is whether freight should be taken through to Kwinana or down to Esperance. Looking at the map it makes sense to move the ore down to Esperance. The Democrats would support such a move as we do not think it should be exported out through Kwinana. However, we need to ensure that the Government has that control over the transport network so that proper outcomes can be delivered to the community, and that goes far beyond the most immediate transport imperatives of the private sector. We must factor in the social and environmental costs of the decisions made by transporting through Kwinana or the like.

Hon M.J. Criddle: That is the biggest problem we have currently. We are losing rail network now.

Hon NORM KELLY: That is right. I understand from the number of speed restrictions on the Esperance line that it is not being maintained adequately. There are arguments that because of the tonnage - I think that line carries about 3.5 million tonnes per annum -

Hon M.J. Criddle: On the Esperance line it is 1.8 million tonnes.

Hon NORM KELLY: According to the task force report it is 3.5 million tonnes.

Hon M.J. Criddle: That is a possibility later on.

Hon NORM KELLY: Given the standard of that line and the speed restrictions, some people argue that because of the low tonnage - or what is argued to be average, high or low volume - that line with those restrictions can still cope adequately with that amount of freight.

Hon M.J. Criddle: Yes, it can.

Hon NORM KELLY: There is an argument about whether more freight can be introduced by increasing the maintenance and standard of the track to induce operators such as Koolyanobbing to use that link.

The recent initiative of the Australian Democrats with the Federal Government to ensure the removal of the diesel excise for the rail sector is a positive environmental move to ensure that rail becomes far more competitive against road for the transportation of freight. This is something we have argued for long and hard and we are proud of the fact that we have been able to achieve this incentive to get more freight off the roads and onto rail. I am sure all fair-minded environmentalists will support that action. It is a good use of taxing policy to encourage an environmentally better solution for the use of diesel in this country.

The Democrats have concerns that there could be a significant possibility that a private operator's profit will be gained at the expense of transferring costs to local shires by way of increased road maintenance costs. This can be done easily by closing lines that are in a marginal operation and are not economically viable.

Hon M.J. Criddle: That is one of the problems. We are doing that now.

Hon Ljiljanna Ravlich: What are you doing?

Hon M.J. Criddle: Closing lines, unfortunately.

Hon NORM KELLY: I am well aware that three lines are proposed to be closed with the broad agreement of the Western

Australian Farmers Federation and Co-operative Bulk Handling Ltd. Another three lines have been unused for a number of years and will also be closed.

Hon M.J. Criddle: That is right.

Hon NORM KELLY: I believe the closure of those six lines has unanimous agreement. I am talking about looking into the future as to the length of the lease. I believe the Government is only committing to no further line closures for three or five years. If we look six or seven years into the future when a private operator may want to close a line because it is not economically viable, users of that line would then have to start transporting their freight by road. That will have an impact on the local road network, which will result in the shire having to spend more money on the upkeep and upgrading of those roads. By doing that, a private rail operator can potentially increase its profit at the expense of the local government authority, which must increase its spending on local roads.

Hon M.J. Criddle: That does not take into account the business imperative of having to expand the business to make a profit. You are arguing against the business.

Hon NORM KELLY: Is the minister talking about expanding a business when the Government is closing lines?

Hon M.J. Criddle: I am saying you need to expand the business to make a reasonable profit; that is what this is all about. If we do not expand the business, Westrail will continually contract.

Hon NORM KELLY: We may have that debate later about whether line closures are a good way of expanding the business.

Hon Ljiljanna Ravlich: Is Hon Norm Kelly suggesting cost shifting; that costs will be shifted to the upkeep of roads, that upkeep being the responsibility of the local shire? Don't look surprised, Leader of the House.

Hon N.F. Moore: That is a profound statement.

Hon Ljiljanna Ravlich: I know what I am talking about. Wait until I get on to something I really know something about.

Hon N.F. Moore: I don't think we will live that long.

Hon NORM KELLY: Hon Ljiljanna Ravlich may have started making sense. Unfortunately, she did so through interjection.

This is a classic case of privatising the profits but socialising the costs. It is making it far easier for a private operator to make profits out of the transport system in Western Australia. There is a very much increased risk of those profits being made at the expense of increasing the costs to the local community through local government.

Another of our concerns is what will happen to the Westrail work force. The number of workers employed by Westrail has steadily dropped over recent years. An answer to a question on notice asked by Hon Jim Scott relating to railway line maintenance and track operating workers states that there has been about a 50 per cent reduction in the number of workers in the past five years from 645 FTEs in 1992-93 to 339 FTEs in 1997-98. Most people would probably agree that the Westrail work force has been trimmed or slashed about as much as possible. However, there are concerns that a private operator will be even harsher in its lay-off of workers if it were able to have control of the Westrail network. In the task force document reference is made to the introduction of what is termed flexible work practices. The idea of multiskilling is nothing new, and we can commend it on occasions, but on this occasion for only as long as the current Westrail employees are given the opportunity to gain such skills and continue with the new operator. There should be an obligation that it occurs.

Another concern with multiskilling is that employees may be expected to do their own repairs to locomotives and wagons. I realise that the rail safety legislation should ensure that the responsible standard is maintained, but this is something that the committee of inquiry should investigate to ensure that such safety matters will not be compromised. Similarly, there should be redeployment opportunities for Westrail workers and retrenchment packages offered for other areas. A proper committee investigation would fully explore this.

The recent introduction of a rail access regime for intrastate freight is a factor which very much complicates this whole issue. It is not simply a case of a public monopoly being replaced potentially by a private monopoly. Even if Westrail is not sold, there is no guarantee that Westrail will be able to maintain its current freight contracts. Already other heavy users of Westrail freight, such as Alcoa of Australia Ltd and Co-operative Bulk Handling Ltd, have held extensive talks with potential private operators of the freight network. If Westrail is not sold, those private operators can still come in and operate their own locomotives and wagons and take out those contracts. Westrail would be left with something of a shell of its freight operations but would retain the operations of maintenance of the track network.

I will make a few comments on the Democrats' policy position on a possible sale of Westrail's freight business. We do not have a pre-determined position on the proposed sale of Westrail. As with any privatisation proposal, we will look at each case on its merits. We will need the Government to illustrate clearly that the sale is in the interests of all Western Australians and that the sale will provide a net and very evident public benefit, both socially and economically. As we stated in our policy paper for the last election, we will oppose this sale if it involves fewer accountability measures, higher costs to the public or a lowering of standards.

I expect this matter to be referred to the Standing Committee on Public Administration. I can assure members that the Australian Democrats will not approach the inquiry with the idea of using it to back up our own position. We would go into an inquiry with very much an open mind, and look at all options and possibilities, so that we could better form our final position. We would also seek to utilise Standing Order No 326A, involving substitution of members on the committee. Although I realise that the Government is keen to get this Bill through Parliament, I warn the minister not to attempt to rush

it through. The possible sale of a publicly owned asset, which has been developed and built up over generations of Western Australians, should not be quickly discarded for the sake of a quick fix of a debt problem that has been accrued over recent years. I will be interested to listen to the minister's anticipated time frame of an inquiry. However, I have a suspicion that the inquiry will not be as speedy as the minister may be hoping for.

I believe that the Standing Committee on Public Administration will need to investigate a number of issues. I will briefly go through some of the major ones for the Democrats. They include the financial structure of Westrail, which would include recent spending on capital works and maintenance and proposed spending, and required spending by a private operator as well. The task force has talked of the potential for existing profit levels to be diminished by that new competition to which I referred. However, we have not seen an analysis of the income streams that would be flowing through to the railway operator through the use of third-party users of the track network. I believe that the task force or whomever the Government wishes to present to the committee should give the committee a full analysis of all the options considered by the Government, such as the retaining of government ownership and the ongoing responsibility for the maintenance of the track network. I believe that this is the current scenario in New South Wales, where the government-owned railway system derives income from the third-party users of the network. I would also expect the committee to obtain an independent analysis of such options so that it can be assured that the figures presented are fair and reasonable. The committee would also need to look at the adequacy of guarantees for retaining the existing rail network, at the same time accepting those closures which have already been put forward. One option that the Democrats are considering is that there could be a way of requiring Parliament to give approval before any further lines are closed. I feel that, irrespective of who is operating the network, it would be fair to expect no problems with getting parliamentary approval for appropriate line closures. The committee could also look at the adequacy of guarantees for Westrail employees, including the employment opportunities with a new owner and redeployment opportunities and retrenchment packages.

I hope that the committee would also look at the results of a survey of pay and employment conducted by a company called International Social Science Surveys Australia. From my reading of that survey, it seems to have been wider ranging than simply looking at issues of pay and employment. It includes questions aimed at determining an employee's ideological and philosophical values on matters beyond the specific pay and employment of Westrail employees. The survey asked whether the employee believed Telstra should be privately owned, how often he attends church and who he votes for - all totally irrelevant to the pay and employment of Westrail employees. I would like a response from the minister about the value of a survey asking those questions.

Hon M.J. Criddle: What survey was that?

Hon NORM KELLY: This was the survey of pay and employment conducted by the Melbourne Institute. I have the front cover. It was circulated to Westrail employees a few months ago. It is a 20 or 30-page survey asking questions about what type of redundancy payments the employee would expect, but quite a number of questions go far beyond the scope of any valid survey about pay and employment.

Hon M.J. Criddle: I have already commented on that.

Hon NORM KELLY: Okay. The committee could also look at the views of Westrail customers; not only the major clients such as Co-operative Bulk Handling Ltd and Alcoa but also smaller customers who are often forgotten. The committee could investigate the views of potential bidders. I expect the committee to hold hearings with those companies which have expressed interest in purchasing the Westrail freight network. Some of these bidders have made their feelings known to the Australian Democrats. They are keen to be seen as viable owners of the network. After the committee inquiry, we will debate the Bill currently before the other place and it is important that we determine what amendments may be needed to ensure proper future use of the Westrail network. The Democrats would also like the committee to listen to the views of tourism operators. There appears to be vast potential to expand the use of the rail network throughout the wheatbelt and the south west for tourism ventures. I have spoken to some people who are either presently involved in tourism or are keen to initiate tourism ventures which would be predicated by the sale of Westrail. These people are keen to see Westrail sold as they believe that will enable them to better facilitate their tourism operations.

Hon N.F. Moore: They should talk to Hotham Valley Tourist Railway before they spend the money.

Hon NORM KELLY: The Hotham Valley Tourist Railway is a good example of the huge expense needed.

Hon N.F. Moore: It is a great tourism facility but it is no great money maker, I assure you.

Hon NORM KELLY: That is right. It is good to listen to people prepared to initiate ventures to increase tourism because if the rail network is to be utilised for that purpose we need to look at it closely. It is a potential benefit and we are looking at the benefits to Western Australia which extend beyond the simple issue of transport.

I have outlined most of the reasons the Democrats are keen to see this proposal sent to a committee for a full inquiry. The inquiry needs to be comprehensive and, all being well, the committee should be able to report to the House by the end of the year. The Democrats would enter the inquiry open to all possibilities and we support the motion.

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [4.44 pm]: I welcome the opportunity to comment on the motion. I have no objection at all to the Westrail freight sale being sent to the Standing Committee on Public Administration. The only point I make is that when it comes time to debate the Bill, we need to be able to go ahead and have a full and frank debate in this House with all the information in front of us. One of the merits of having this issue go to the committee is that the information will be presented to the committee and its members will make a commonsense decision on the information presented. Having seen as much information as I could get my hands on, I have come to the conclusion

that the Westrail freight business should be sold on a 20-year lease with 15-year plus 14-year options, so it would be a 49-year lease in addition to the sale of the rolling stock and other infrastructure.

Members need to understand that this is a business decision. We often talk about ideology and privatisation. In the case of the sale of Westrail, it has been the Government's determination that the business can best be handled by the private sector. This view is based on the fact that 75 per cent of Westrail's business comes from seven customers. The business has a debt at present in the region of \$530m which is likely to blow-out by 2003-04 to \$700m. There is a strong requirement for maintenance and upgrade of the track to allow us to carry out the task. I hope all these issues will be brought out by the committee in its inquiry.

I will outline the issues I believe the committee should consider. The task is to carry around 29 million tonnes of freight and the opportunity is there for a business to grow and expand. The sale of the Westrail freight business will enable it to expand not only in Western Australia but also in the eastern States and for a big operator to benefit Western Australia. On top of that, an expanded business offers the opportunity of keeping freight rates low. That is one of the essential features in this. I have had the opportunity to look at the network in some areas, and an upgrade of the network is needed, but, as Hon Norm Kelly mentioned several times, the freight network has contracted. The Government does not want to see that downgrading because we need to get the task off road and onto rail. This sale is how that can happen. This is a great opportunity for the Government to get out of something which is not its core business and to allow the private sector to run the rail freight business in Western Australia. Hon Bill Stretch made the point that the committee should look at this objectively and if it can keep an open mind and bring down a decision based on the realities faced by this business, I am sure that, given our requirements to fund health, education and law and order when only minimal funds are available, the committee members will decide that this is not really a government core business and that it needs to go to the private sector.

There has been some discussion about vertical integration and separation and whether the Government will keep the rail network. I mentioned the three options when Hon Ljiljanna Ravlich was talking. The worst option seems to be vertical separation, where the Government maintains the rail line and must find the funding to maintain the rail network. It would be better for us to keep the rail network if we do not have vertical integration.

Members need to keep an open mind on this issue. A task force of five people - Chris Whitaker, John Langoulant, Stephen Wood, Tim Sharp and Graeme Harman - has looked at this issue and produced recommendations. I am sure the committee will take up these issues. The maintenance of the track in the right condition covers the issue Hon Norm Kelly raised about the Esperance line, where Westrail has an obligation to spend \$32m on a program to replace sleepers.

One of the points made by the task force is that that must be maintained in any sale contract, provided, of course, that Koolyanobbing Iron Ore Pty Ltd maintains its commitment to continuing shipments out of Esperance. Without that commitment, it would not be feasible to upgrade the line. That is a reasonable requirement.

Third-party access to the rail network is being negotiated with the National Competition Council. I recently asked some officers to meet with the NCC to progress that as quickly as possible to ensure that the sale progresses in the knowledge that that access regime is in place.

Rail safety has been covered. The new operator would be covered by the Rail Safety Act and would need to be accredited to operate the railway. Contracts already in place would transfer with the sale process. The state agreements would all be honoured. The grain network is very important to the grain growers and the Western Australian Farmers Federation. The grain logistics plan, which deals with the period up to 2005, will be maintained. A contract is being negotiated currently with the stakeholders in the grain freight network. That contract will be in place and it will be imperative to ensure that the grain freight network is in place and maintained.

Freight rates have been mentioned. If the business grows, freight rates will be subjected to pressure. Competition already exists between road and rail freight rates, and this measure involves adding an element to that competition; that is, rail-rail competition. That will ensure that freight rates will be kept to a minimum.

The new operator will be liable for all the normal business taxes, charges and stamp duties, with the exception of those relating to the rail corridor land.

The Government is looking to ensure that arrangements are in place so that staff are managed in a reasonable way -

Hon Ljiljanna Ravlich: Will there be any job losses?

Hon M.J. CRIDDLE: There is no intention to reduce the number of staff. The staff will be able to take a redundancy package if they wish.

Hon Ljiljanna Ravlich: But will they end up like other workers - treading water for two years?

Hon M.J. CRIDDLE: An arrangement is being put in place. There is no hidden agenda. The committee will be able to look at the issues and the task force will make recommendations. There is no intention to repeat what has happened previously.

Hon Ljiljanna Ravlich: Do you acknowledge there have been problems in the past?

Hon M.J. CRIDDLE: I acknowledge that the Victorian sale caused problems for the workers. I am referring to the sale of rail networks; that is the issue at hand.

Other issues that will be dealt with include the closure of lines and the running down of the rail lines. I am keen to see this sale process examined by the committee. All the issues that have been raised in this debate can be dealt with by the

committee and members will come back with a clear understanding of the requirements that may be put in place for this sale. I am confident that the committee will recommend a vertically-integrated sale process. I will make the requirements known to the committee and it will have access to all the information that it might need.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [4.54 pm]: The Opposition appreciates that this motion, which relates to the referral of the sale of Westrail to the Standing Committee on Public Administration, appears to be gaining the support of the House and that it will soon be passed.

I understand the position that has been outlined to the House by various members, including the members of the Greens (WA) and the Australian Democrats. The Democrats are looking for explanations from the Government and justifications for this initiative to establish whether it is worthy of their support. Members of the Labor Party believe that it is reasonable to subject this policy initiative to the scrutiny of the committee process and then to let the House decide. It is our hope that through that process we will not only have attracted a majority to oppose this initiative but also end up with the support of some of the coalition members.

Hon M.J. Criddle: You have preconceived ideas.

Hon TOM STEPHENS: We believe that subjecting this proposal to full scrutiny -

Several members interjected.

The PRESIDENT: Order! The Leader of the Opposition is making a speech.

Hon TOM STEPHENS: There is a real prospect of the Government's changing its policy direction and pursuing an alternative path; that is, to retain the ownership of Westrail. It must, to ensure that the changes necessary for the efficient operation of that organisation are achieved without destroying this important service to the people of Western Australia, and particularly regional Western Australians.

I am very conscious that next week the House goes into the last scheduled sitting week, with scheduled prorogation presumably in early August and a new session of the Parliament soon after. That leaves me with some concerns about the way the Standing Committee on Public Administration will then be able to handle this motion. It may be necessary for the committee to consider not only the receipt of this motion in the first instance but also, perhaps by way of its own motion, the adoption of an inquiry so that this issue is not lost in the prorogation process. Clearly the Clerk's advice would need to be explored to ensure that nothing is done to interrupt this inquiry process. It would be a pity if we were to get back on opening day in August to find that we must go through machinery motions to re-establish inquiries such as this. Given that the Government wants to see progress in this matter, it would be a pity if that were delayed because of some unnecessary technical process. I commend to the committee that it explore every way to ensure that the inquiry proceeds quickly, whether that be by receipt of this motion or by the adoption of an inquiry on its own motion. The members of the committee are more than capable of resolving that issue in the best interests of the consideration and resolution of this legislation. Given that, I am pleased that the motion will be passed. I acknowledge the different objectives of various members and, despite that, this process seems to converge on the passage of the motion. I commend the motion to the House.

Question put and passed.

[Questions without notice taken.]

ACTS AMENDMENT AND REPEAL (FINANCIAL SECTOR REFORM) BILL 1999

Second Reading

Resumed from 17 June.

HON HELEN HODGSON (North Metropolitan) [5.33 pm]: Last week I expressed my concern about the short time that members had in which to review the Bill as a consequence of commencing second readings immediately after the suspension of standing orders, and how it meant that I did not have time for a briefing. However, I thank the minister and his advisers for the briefing on Monday. I have now had the opportunity to examine most of the issues in the Bill.

This Act is to implement the federal legislation to transfer the functions of friendly societies and building societies from the state jurisdiction, where they currently reside, to federal jurisdiction. This follows on from legislation that was recently passed in the Commonwealth Parliament. We are now enacting the state end of the arrangements. It is clear that the financial sector is anxious for this Bill to be passed. I have received correspondence from various people including Luke Lawlor, the senior adviser of public affairs, Credit Union Services Corporation (Australia) Limited. He is keen to persuade me that this legislation should be passed as a matter of some urgency and is very supportive of the legislation itself.

The legislation is based on a desire to implement certain recommendations from the Wallis inquiry. As most members are aware, the Wallis inquiry made a number of recommendations in 1997 for the reform of the Australian financial system. These were intended to create a uniform prudential environment with greater certainty for financial consumers. The recommendations that are relevant are, firstly, recommendation 36, which refers to "A single deposit-taking institution licensing regime should be introduced". It recommended that the Australian Prudential Regulation Commission, which is the licensing body, should be responsible for the licensing of all DTIs subject to prudential regulation. DTI licences should be issued with certain criteria, and that would include the incorporation and general corporate regulation of building societies and credit unions, which would be transferred to the Corporations Law and the Corporations and Financial Services Commission, which is the commonwealth body dealing with this form of regulation.

Recommendation 39 recommended that "Regulation of friendly societies should be transferred to the Commonwealth". It stated that the future regulation of friendly societies should provide for the transfer of responsibility for registration and corporate governance to the CFSC, for disclosure regulation under the Corporations Law and surveillance by the CFSC, and for prudential regulation by the APRC of those societies that provide products under exemption from the Life Insurance Act 1995. It also recommended that the recommendation to move to commonwealth arrangements for the prudential regulation of friendly societies should not delay the introduction of the new friendly societies scheme on 1 July 1997. Those are the relevant recommendations from the Wallis inquiry. They have generally received broad support.

The Legislative Assembly issued a report at the time that the intergovernmental agreement was signed which examines the background. Paragraph 1.6 of that report refers specifically to the recommendation and to the state of affairs. It states -

Although the system created under the Financial Institutions Scheme in 1992 did create a uniform regulatory system for building societies and credit unions throughout Australia, rapid technological and other changes in the financial industry have driven the need for a restructure of the industry.

The credit unions and permanent building societies have been urging the transfer of legislative responsibility to the Commonwealth as soon as possible to remove any competitive disadvantage they have, relative to banks.

That essentially is now the situation. Prior to the deregulation of the financial market, it was found that building societies and credit unions had some advantages relative to banks because of the way in which the prudential requirements were structured for banks and because the products that the building societies and credit unions could offer were in some respects more flexible. Many people, even in this Chamber I suggest, have at various times invested with a credit union because the taxing regime was different or the rate of return was better because of the difference in the prudential requirements. However, when the banking system was deregulated, many of the restrictions were removed and it meant that we had a competitive environment which now disadvantaged credit unions. That is the reason for this move to ensure that everyone is competing on a level playing field. When the Federal Government considered this legislation, the Senate classed it as non-controversial legislation.

The reason for that is because it had been through a committee process. The committee had a number of recommendations which were inserted into the legislation to improve the federal legislation. Several issues of concern were addressed in the committee, which largely dealt with the issues of the job situation in the transfers from the state bodies to the federal bodies. There was the question of the erosion of the four pillars banking policy. That is beyond the scope of the state legislation, so I will not go into it in any detail except to reiterate the support that my colleague in the Senate gave that the four pillars should not be eroded. We believe in that as a principle. In fact, we believed in the six pillars, which have now been eroded to four. The question of the transfer of employee entitlements is very relevant. I was pleased to see that the legislation before us includes sections which ensure that the transfer of staff positions will happen as easily as possible and in a fairly seamless manner. Obviously we do not want any of the staff members who are currently working for the Western Australian Financial Institutions Authority harmed in any way and we do not want to see them forced to move interstate because of the change in the arrangements. I asked for further information on that at the briefing. I have been informed that 3.3 staff members are employed by WAFIA and they have been assured of a job in the new federal body which will be set up in Perth. One matter that concerns me is the length of time of the commitment to maintain an office in Perth. It is not an indefinite commitment. It guarantees that staff currently employed by WAFIA will be retained until 30 June 2000. The period of a year would probably help us see how the system transfer works, but it is not a long period when we consider job security issues. It is unfortunate that we do not have longer and stronger guarantees for the employees. On that issue, I note that the Australian Prudential Regulation Authority apparently does not have a good record in dealing with its staff. One of the issues that was raised at the Senate committee hearing involved the way in which APRA related with its staff, and Industrial Relations Commission matters were under way at the time. I presume those matters have been resolved because that was several months ago. I would like to think that the staff involved in this transfer will not end up with a raw deal and that their jobs and positions will be protected.

I will make a few more comments on the issue of friendly societies in particular. We dealt with the restructuring of friendly societies on the first day we resumed in this place; that is, Tuesday, 9 March 1999. That legislation received royal assent on 25 March 1999. We are now dealing with a Bill which will totally repeal legislation that was introduced three months ago. I will also comment on the perspicacity of Hon Tom Helm. When the report of the Standing Committee on Constitutional Affairs in relation to the Friendly Societies (Western Australia) Bill 1998 was tabled in this place in November last year, Hon Tom Helm tabled a minority report. In that report he alluded to the fact that at a meeting in May 1994, there was a resolution that the friendly societies be subject to national uniform supervision. However, as a result of the commonwealth Wallis inquiry, bodies regulated under the financial institutions scheme may be transferred to commonwealth regulation on or before 1 July 1999. He also stated -

In the light of "(ii)" and "(iii)" above, it is submitted that the Bill and Taxing Bill could result in unnecessary change and disturbance to friendly societies operating in Western Australia.

I do not know about the degree of disturbance, but I will come back to that in a moment. If anyone were intending to enter into a restructuring or merger under the Friendly Societies (Western Australia) Bill, three months is not long in which to do so. I would be curious to know whether any such mergers have been completed in the three-month period. On that point, I notice that a provision in the legislation before us deals with incomplete mergers and transfers. At my briefing I asked whether any of these sorts of transfers were under way. I have been informed that three are under way, because a transfer is under way as permitted under the friendly societies legislation which we introduced three months ago. We have a situation in which the three-month window was not long enough to accomplish what the original legislation was for. We have

probably wasted a great deal of effort in this place in dealing with the friendly societies legislation and then repealing it three months later without any benefit to the industry.

I had queries at my briefing which I said I would raise now, and the minister might like to put his response on the record. One query relates to any exposure that the State may have to any liabilities. Under clause 42 of the Bill before us if any proceedings involving WAFIA are in place, the State will pick up any liability that results from that. I would like on the record an answer to whether any exposure is expected.

Hon Peter Foss: I do not know that. I will need time.

Hon HELEN HODGSON: Another point is that there are some technical issues in division 9 to do with conferral of functions on APRA and the Australian Securities and Investments Commission and there are some exclusions to do with enforcement powers. It is because they relate to other codes and other institutions. If the minister cannot respond in his winding up, I am sure his adviser will have the answer during the committee stage. Clauses 51, 52 and 053 have some exclusions. Because of the complexity of the drafting, to what do those exclusions relate? If the minister cannot answer that in his response, I am sure his adviser will have the answer for him. I raised them during the briefing with the intention of raising them in this Chamber. That deals with most of the issues, and most of them were resolved in a timely way. I thank the minister and his advisers for the opportunity to do that. We will be supporting the Bill.

HON PETER FOSS (East Metropolitan - Attorney General) [5.49 pm]: I thank all members for their support. As to the question relating to clause 42, the answer is no. I will deal with the exceptions during the committee stage. The member is right in saying that the period of time between the last legislation and now has been too short. That was not the intent of the States. At the last ministerial council meeting I attended, all States, except for Victoria, made representations that October would be an appropriate changeover date. Unfortunately that was ignored by the Commonwealth, which I think has gone ahead and put many of the States in the difficult position of trying to meet that timetable. I would have preferred more time for consideration than we have had and a greater opportunity to deal with these matters.

Provisions under clauses 51, 52 and 53 relate to enforcement powers under the current Finance Institutions and Friendly Societies Codes. The exceptions from these codes relate to the powers to issue injunctions, obtain information, conduct searches and execute warrants. These powers are accepted as they will reside with the Australian Prudential Regulation Authority and the Australian Securities and Investments Commission after the transfer. However, the remainder of the codes continue to apply to ensure actions taken before the transfer date are preserved. I hope that is the information required by the member. I commend the Bill to the House.

Question put and passed.

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

EDUCATION AMENDMENT REGULATION (No 3) 1998

Motion for Disallowance

Pursuant to Standing Order No 152(b), the following motion by Hon Tom Stephens (Leader of the Opposition) was moved pro forma -

That regulations 5 and 7 of the Education Amendment Regulation (No 3) 1998, published in the *Gazette* on 5 February 1999, and tabled in the Legislative Council on 9 March 1999 under the Education Act 1928, be and are hereby disallowed.

HON LJILJANNA RAVLICH (East Metropolitan) [5.51 pm]: I do not know whether members are aware of the background to this matter. It relates to the Education Department making an application to the Equal Opportunity Tribunal in 1997 for an exemption from section 11 of the Equal Opportunity Act to allow the retention of gender-linked deputy principal positions in specified categories of schools throughout Western Australia. I understand that the Equal Opportunity Tribunal made a determination that reference to male and female deputies should be abolished. I do not have much of a problem with that because there may be circumstances in a district high school, for example, at which, based on merit performance, there could be two males or two female principals or whatever. I can understand why the Equal Opportunity Commission made that determination. However, no mention was made of the fact that the positions should be abolished.

The Government has used the tribunal's decision to attempt to destroy the career structure of school administrators and teachers. Why has the Government failed to consult with key people in the education debate on this proposition? I refer specifically to consultation with parents, teachers and the State School Teachers Union. Clearly the Government has not done that and we now have a proposal that is unacceptable.

For the benefit of members who are not familiar with the proposal, regulation 167, which will be replaced by a new regulation, is specific. It clearly states -

Teaching staff shall be assigned to primary schools on the following basis:

- (a) in each primary school - one principal or, in the case of a one-teacher school, one teacher in charge; . . .

Paragraph (b) has been deleted but paragraph (c) clearly states that in each class 1 and class 1A primary school not being a junior primary school, there should be one deputy principal male and one deputy principal female. I do not have a problem with deleting reference to male and female. It continues -

- (d) in each Class 1 junior primary school and class 1A junior primary school - one deputy principal (female) and one deputy principal (male);
- (e) in such Class II primary schools as are from time to time specified by the chief executive officer - one senior assistant; and
- (f) such teachers as are required appointed in accordance with the Act and these regulations.

Five structural positions exist to which teachers could be promoted. Under the Government's proposal that would be deleted and the new regulation would read -

Regulation 167(1) is repealed and the following subregulation is inserted instead -

- (1) A -
 - (a) principal; and
 - (b) such teachers as are determined by the chief executive officer of the Education Department to be required,
 and who are appointed under the Act, shall be assigned to a primary school.

That effectively cancels out all the promotional structures.

Hon Derrick Tomlinson: It could provide more; it is differential staffing.

Hon LJILJANNA RAVLICH: It is. Our concern is that there is no guarantee of promotion. I will therefore express my concerns about devolution and flexibility that the Government wants to implement and what may be an enormous cost to the Education Department. The Labor Party's position and my argument is that if we abolish a promotional structure and people do not have a sense that they can achieve in their profession - we do not have to be too smart to work it out - we will not attract the right people to the profession. It is a fundamental problem with the proposed model that the Government is espousing.

Hon Derrick Tomlinson: That may be true but it could be a separate argument.

Hon LJILJANNA RAVLICH: That is true. Nothing is stopping Hon Derrick Tomlinson from making that argument. At the end of the day, within a cluster arrangement, schools might say that they like the previous system and that they will adhere to it. If at the end of the day there is no legislative obligation and one cluster will do it according to the new model and another one will do it according to the old model, inherent difficulties will arise. The left hand will not know what the right hand is doing. We already have a problem with that in the Education Department. We do not need to add to that problem. It could be argued that nothing precludes a cluster, a district or whatever from filling its positions according to the current regulation.

Hon Derrick Tomlinson: Or according to need.

Hon LJILJANNA RAVLICH: We could, but by the same token that must be weighed up in terms of the cost benefit and the benefit to the system. Hon Derrick Tomlinson always asks why I do not address his questions. Here is a clear case for which there must be a clear cost-benefit analysis to establish what are the local gains compared with the cost of the system.

Hon Derrick Tomlinson: How can you relate cost benefit?

Hon LJILJANNA RAVLICH: I do not know. I am not an expert in this, but surely a range of factors must be considered. Government agencies have experts who do this work. Clearly we must weigh the benefit of flexibility at the local level with what may be some of the inherent costs and difficulties at a systems level. The Australian Labor Party cannot live with this because -

Hon N.F. Moore: It is a change from the past 100 years.

Hon LJILJANNA RAVLICH: The minister could run that argument.

Hon N.F. Moore: You should think a bit laterally for a change.

Sitting suspended from 6.00 to 7.30 pm

Hon LJILJANNA RAVLICH: Prior to the dinner break I spent some time drawing attention to the regulations, specifically 167, which provides for the abolition of the promotional structure in the primary school sector. I place on record what will be the proposed changes for the assignment of teaching staff in the secondary school sector. Regulation 184, as it currently stands, states -

- (1) Teaching staff in addition to the principal shall be assigned to secondary schools on the following basis -
 - (a) in each high and senior high school - one deputy principal (male) and one deputy principal (female);
 - (a) in each agricultural college - one deputy principal;
 - (b) in each Class I district high school - one deputy principal (male), district high (secondary), one female principal district high (secondary) and one deputy principal district high (primary);

- (c) in each Class II district high school - one deputy principal, primary; and
- (d) such senior teachers and teachers as the occasion requires, appointed in accordance with the Act and these regulations.

The proposed change to regulation 184 is that the regulation be replaced or repealed and the following regulation inserted -

Teaching staff as are determined by the chief executive officer of the Education Department to be required, and who are appointed under the Act, shall be assigned to a secondary school.

Basically, we are looking at the abolition of a promotional structure both in the primary and secondary sectors. The point I was making prior to the dinner break was that this could have grave consequences for the teaching profession as a whole because if we abolish those structures, there will be implications for our ability to attract people to the profession. I suspect it might be much more difficult to attract the right people to the teaching profession if there is no promotional pathway for them, and if they really do not have much to which to aspire.

I take on board the comments of Hon Derrick Tomlinson that the new regulations will provide some flexibility, and if in a certain district it was determined that those promotional positions should be filled in the traditional way, nothing would preclude that from happening. However, as I said earlier, an administrative mess would result, in which parts of the system would operate under the old regulations and other parts would operate under the new regulations.

Hon Derrick Tomlinson interjected.

Hon LJILJANNA RAVLICH: However, if at the end of the day under the new regulations a school community thought that it would be advantageous to do so, technically it could operate under either regulations.

One concern for me and I am sure for many other people is the current state of the education system. On page 4 of *The West Australian*, we were informed about a problem currently facing the Education Department; that is, a shortage of teachers. Hiring untrained teachers and dropping subjects from the school curriculum are two of the options being considered by the Education Department to overcome the problem of teacher shortages, particularly in rural schools. However, that problem is not strictly confined to regional Western Australia; it is a problem which is also emerging in metropolitan schools. Some schools cannot attract teachers, particularly for new subjects which are offered to some of those students who have been forced back into the school education system as a result of the youth training allowance. There is a need for more technical subjects, but some of those technical teachers are simply not available. This morning's paper highlights that teaching is not an attractive proposition presently. The teacher shortage is due in part to the fact that we are not attracting enough young people to the teaching profession because they do not see it as a profession to which they wish to aspire. A friend of mine took an option, which was a new policy initiative put forward by the Education Department, in which teachers could be paid four-fifths of their salary over a five-year period.

Hon N.F. Moore: It was my initiative.

Hon LJILJANNA RAVLICH: I think it is a good initiative because it puts teachers into the real world and many of them could benefit from those experiences. They receive 80 per cent of their pay in the fifth year under this arrangement. I am not sure how many teachers took up that option, but I am confident that this policy may be adding to the pressures on the Education Department in trying to staff schools because clearly a number of teachers - I do not know how many - who would normally be available to the teaching profession are not because they are in that year off. I would have liked that in place when I was in the profession instead working for nine years, at the end of which, having put in my heart and soul, I felt burnt out. I could have made a major contribution to education, but after nine years I had had enough.

Hon Derrick Tomlinson: Another year and you could have had long service leave.

Hon LJILJANNA RAVLICH: That is correct.

This is a very good system, but it adds to staffing pressures. There are many reasons that the Education Department has these staffing pressures, one of which is the ageing work force. It is clear that young people are not attracted to the profession for a variety of reasons. There is difficulty in attracting young teachers to regional and remote areas. I know the Government has a proposal to attract teachers to those areas. I have some difficulties with what is being proposed, but that is another subject.

We must return to the fundamental of making teaching attractive and restoring professionalism. I have made the point time and again: I am sick of going to functions, listening to people asking what others do for a living and seeing some teachers hanging their heads in shame when they respond.

Hon B.M. Scott: It is okay as long as you are not a lawyer.

Hon LJILJANNA RAVLICH: There is something to be said about not giving teachers the professional recognition they deserve. I cannot think of a more important profession than educating the future generations of this State and this country. It is imperative that whatever we do in education, we do it correctly. The idea of having untrained teachers is abhorrent. That is giving a very bad -

Point of Order

Hon N.F. MOORE: As much as I am interested in the member's comments on a range of education issues, this matter has nothing to do with the disallowance motion before the House.

Hon LJILJANNA RAVLICH: I dispute that. It has everything to do with this disallowance motion, because if we do not have a promotional structure and pride within the profession, we will find it very difficult to attract the people we need.

The PRESIDENT: I understand the member's point. The point I must consider is whether the comments relate to regulations 5 and 7 of the Education Amendment Regulations (No 3) 1998. As I read the regulations, they appear to be related to a set of prescriptive circumstances in school staffing now being changed to a more general situation, which allows for greater discretion. As long as the member talks about that, she will be on target. Just before the leader raised his point of order, the member was discussing education in general. This is very much focused on the former prescriptive nature versus the proposed general nature of the system, if I can put it that way.

Hon Derrick Tomlinson: That is excellent.

The PRESIDENT: If that is all that must be said, I will put the vote. I must ensure that the member focuses on that topic, otherwise every other member will raise the point of order that she is speaking about education in general.

Debate Resumed

Hon LJILJANNA RAVLICH: There are inherent dangers in going from a very prescriptive situation to one that is more general. We must understand what is motivating the Government to go down this path.

Hon N.F. Moore: Nothing other than an attempt to deal with the Equal Opportunity Commissioner's ruling in the short term until the new regulations are introduced.

Hon LJILJANNA RAVLICH: The Equal Opportunity Commissioner's ruling referred to the application of roles defined by the gender of individuals. Instead of addressing that, which he could have done easily, the leader is proposing to abolish the whole career structure. That does not make sense.

Hon N.F. Moore: The member is half right; they went too far. However, the intention the member suggests does not exist. The drafting is the problem.

Hon LJILJANNA RAVLICH: The leader will admit that these are poor substitutes.

Hon N.F. Moore: But the intent that the member attaches to them does not exist.

Hon LJILJANNA RAVLICH: The only point I have consistently made is that there needs to be a career structure for teachers.

Hon N.F. Moore: We agree entirely.

Hon LJILJANNA RAVLICH: The system will be the worse for it if that structure is not in place.

One need not go very far to find a partial reason for the Government's choosing this path. Part of the answer is found in a policy document dealing with local management of schools. This is a government initiative introducing the notion of even further devolution of responsibility to local districts and, through them, to a group of pilot schools. I have some concerns about that local management initiative; the system is not ready for what it proposes. These regulations may be a little premature. This policy outlines much more flexibility in local management. I know that the State School Teachers Union has major concerns about this proposal. Having worked in the education system, I also have concerns.

I will share with the House the reason the Government is proposing that we go from a prescriptive model to a more general model for the staffing of schools. I will refer to a local management of schools document dated March 1999.

The PRESIDENT: I hope the member is not telling me that until now these have been introductory comments.

Hon LJILJANNA RAVLICH: Why do I get the feeling that I get such favouritism from you, Mr President? They have not been introductory comments. It is important in making the connection between the two issues, because they are directly related. If members consider the Government's policy direction and the aims of these proposed new regulations, they will understand that it makes sense for the Government to move amendments to the existing regulations.

It has been conveyed to me by people in the education system that the uptake for this initiative has been very poor. I understand 30 pilot schools were being sought for this local management of schools project -

Hon N.F. Moore: These regulations have nothing to do with that.

Hon LJILJANNA RAVLICH: - but only 10 schools have indicated an interest.

Hon Derrick Tomlinson: What does that have to do with the regulations?

Hon LJILJANNA RAVLICH: This initiative proposes to establish a preferred staffing profile, including administrative teaching and non-teaching positions. That would be done at the pilot school level across 30 schools. However, because the uptake is only eight or 10 -

Hon Derrick Tomlinson: How do you know that?

Hon LJILJANNA RAVLICH: I listen to people in the education system. I could be wrong.

Hon Derrick Tomlinson: Thank you.

Hon LJILJANNA RAVLICH: It may well be 16 or 28, but it is somewhat irrelevant. The point stands that the uptake on this initiative has been very slow.

Hon Derrick Tomlinson: According to gossip.

Hon LJILJANNA RAVLICH: It endeavours to establish the preferred staffing profile, including administrative teaching and non-teaching positions, determine the number and level of promotional positions within system parameters, modify the duty description form and work value for administrative teaching and non-teaching positions as required to meet the local needs in accordance with system guidelines, enhance the staffing profile through community funds or community support, and take part in the selection of administrative staff, with the exception of the principal, through local selection as vacancies arise according to public sector standards and departmental policy. It will also seek to appoint teaching staff through local selection as vacancies arise according to public sector standards and emerging departmental policy. In addition, it will manage short-term contracts of staff and manage notional teacher relief allocation with a safety net for short-term leave with a proportion of savings retained by the school.

On examination of the government policy direction, it is not too difficult to work out that in order to achieve this direction through this pilot project, the existing regulation would need to be changed. A much more general set of regulations would be required rather than the more prescriptive regulations. I am concerned about that because neither I nor the Australian Labor Party is convinced that this is the way to proceed. I have grave concerns.

Hon Derrick Tomlinson: That is a pity because your rural policy in the last election went that way.

Hon LJILJANNA RAVLICH: I am not an expert on our rural policy.

Hon Derrick Tomlinson: Your rural school policy was in favour of differential staffing.

Hon LJILJANNA RAVLICH: Differential staffing may be a little bit less devolved than that which these regulations propose. This is proposing that pilot clusters and pilot schools determine across the board how staff will be allocated within a school. My difficulty is that at the end of the day there will not necessarily be a deputy principal or two deputy principals. If those positions are not in place and if there is no career path, schools will not attract the people they need in order to promote good education in this State.

Hon Derrick Tomlinson: I agree that career certainty is an essential component of our teaching profession, but this proposal does not attack career certainty.

Hon LJILJANNA RAVLICH: It takes away the opportunity for teachers to move out of a classroom and into what has historically been defined as a promotional position.

Hon Derrick Tomlinson: Some people should be in the classroom.

Hon LJILJANNA RAVLICH: Perhaps that is so, but by the nature of these regulations, people will not want to go into a classroom if they believe they might be stuck there for 20 or 30 years and there is nowhere for them to go. I am a classic case. I was promoted into a deputy principal's position. However, first I had to go to Morawa District High School, then to Bullsbrook District High School and then I would have had to go to a regional senior high school and from there to a metropolitan senior high school. This is directly related to what the Government is trying to abolish. As a teacher, I knew that I had something to work towards. Having those goals to aspire to within the profession kept me interested, active, motivated and performing. If at the end of the day those opportunities did not exist I might have left sooner than I did.

Hon N.F. Moore: Nobody is suggesting that happens. You are drawing a very long bow. Your general assertion is incorrect. You can spend all day making it; but it is wrong to start with. It is not intended to get rid of promotional positions, but to get rid of designations of promotional positions.

Hon LJILJANNA RAVLICH: I accept the minister's point, but if that is the case, his new regulation does not achieve that. If that is what he had intended to do, the amendments would have been simple. The new regulations would have been drafted as they are, without any reference to male or female. It is that simple.

Hon N.F. Moore: You miss the point; it is not intended that two deputy principals be appointed to every primary school from here to eternity. A school may have one deputy principal and one doing something else. We are seeking flexibility. You should know how important that is, because you have been in the schools.

Hon LJILJANNA RAVLICH: I agree that there may be a case for some more flexibility, but the new regulation has gone over the top. If people believe that the old regulations were prescriptive, all I can say is the new regulations are so general that they will provide no comfort to anyone within the teaching profession. They have gone far beyond what they were intended to do. Clearly, if what the minister says is correct, these regulations do not meet the requirement intended, which is to remove reference to the terms "male" and "female".

Has the department completed any analysis of what might be the savings as a result of the abolition of these positions?

Hon N.F. Moore: It is not intended to make a saving.

Hon LJILJANNA RAVLICH: That is interesting. The minister cannot tell me whether there will be any cost implications in relation to a promotional career structure. The Liberal party election commitments in 1996 refer to -

Hon Bob Thomas: They are in the library under "Fiction".

Hon LJILJANNA RAVLICH: The commitment states that a new career structure for classroom teachers is being developed for implementation during 1998 and the career structure is designed to provide competent experienced teachers in the classroom; it will introduce two additional promotional levels for classroom teachers with an expected salary of \$51 000

a year for many teachers. What happened to that? Has that election commitment been met? The regulations before us indicate that no new career structures will be implemented for classroom teachers.

I have grave concerns about these proposals and I am not the only one. The State School Teachers Union also has grave concerns about them. I am pleased, on behalf of the Australian Labor Party, to have moved the motion.

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [8.00 pm]: I hope I will be able to persuade the Australian Democrats and the Greens (WA) to at least consider the Government's position on this matter before they adopt a position on this disallowance motion. I can understand, having read the old regulations Nos 167 and 184 and the new regulations that replace them, why somebody might be a little concerned about the intent and what might come out at the other end once these new regulations were implemented. I understand the concern that Hon Ljiljanna Ravlich has raised. However, I want to dispel her concerns in the context of the implementation.

This issue goes back to the decision by the Equal Opportunity Commission to require the removal of any gender-based positions from within these two regulations. I do not agree with that decision, and I have argued against it for as long as I have had a say in education issues. When I became the Minister for Education it was the first issue I was confronted with on the first day I arrived in my office. It became a front page story in *The West Australian* that I was suggesting that the Equal Opportunity Commission had it wrong. I believe there is a role for female and male positions in schools, simply because we have boys and girls in schools. That is not the situation that exists at the present time and the decision of the commission is such that those gender-based positions should be removed.

Regulations Nos 167 and 184 are very prescriptive. I will give an example of how seriously prescriptive they are. Under regulation No 167(3), if the chief executive officer considers that the enrolment in a primary school in years 1 to 7 is likely to be maintained at not less than 276 pupils, he may relieve the principal of full-time responsibility for any class. How they arrived at the figure of 276 is beyond me. Why not 274, 280 or 210? That is an example of the ludicrous nature of the old regulations and how prescriptive they are.

Hon Ljiljanna Ravlich: They are badly drafted regulations on your part.

Hon N.F. MOORE: I did not draft them. Regulation No 167(1) talks about all the different requirements of certain schools and how many deputy principals they should and should not have, and the rest. A number of other promotional positions in the system are not covered by regulation. The whole system has changed since these regulations were introduced and they bear very little relationship to reality. The Government sought, in the context of the Equal Opportunity Tribunal's decision, to remove the words "male" and "female" where they applied to try to bring this regulation up to some contemporary level and to reflect the situation that exists within our schools. It is not a question of some sinister strategy to try to get rid of promotional positions. The Government has no intention to do that. If we run a school system in which people are running different parts of a school we must have promotional positions.

The aim of the exercise is to give schools a greater capacity to make decisions about how they operate and to try to get rid of the prescriptive nature of the promotional positions and say, "Let us look at what schools require and promote people to positions that are relevant to the needs of a school." I have long argued that in a secondary school, particularly a senior high school, instead of having two or three deputy principals the logical process is for an accountant to be appointed as a senior member of staff to carry out all of the administrative work in the school.

Hon Ljiljanna Ravlich: You want a commercial unit to replace education. I am appalled. That demonstrates the Government's thinking.

Hon N.F. MOORE: I cannot believe the ignorance of this member who claims to have worked in the education system. She has no idea of the enormous amount of administration that is involved in running a senior secondary school.

Hon Ljiljanna Ravlich: The minister wants an accountant to run a budget of \$300 000.

Hon N.F. MOORE: It does not necessarily need to be a full-time accountant, but someone who can do the books and attend to the administration of a school. Principals are not trained to be accountants but educational leaders. I am married to a school principal so I know what the job is; I used to be a principal. One of the most difficult jobs that principals in schools have now is all of the additional paperwork and administration that goes with running a school in addition to being educational leaders. I have long argued that principals should be educational leaders and senior managers in schools involved in educational issues. However, it would be helpful, to allow those people to do their job, if there were somebody else on the staff at a higher level given the role of administration in the school. It does not make any difference whether it is an accountant, a bookkeeper or someone with some qualifications in that area, but they do not have to be an educator. Their role does not have to be in education. One does not need to be an educator to do the salaries of a school, to buy the stock, to look after the maintenance of a school, or to telephone the local painter and say, "Paint the school." In fact, it would be better if one were not an educator if one has to do those things. All the other jobs in the school can be done by the educator. We want flexibility in the management of schools. The Government has no intention of making an accountant a school principal. That would be ridiculous, because the school principal needs to be a person who provides educational leadership and has educational qualifications and background and can fulfil that educational leadership role. This is about trying to work out a way in which we can give the school system and individual schools some flexibility in how they manage their business. That is not intended in any way to get rid of any promotional system. It is intended to get away from the highly prescriptive regulations that have been in place in this State for many years.

I want to make it clear to Hon Ljiljanna Ravlich that this is not an attack on teachers' promotional opportunities or on teachers, or some hidden process in which the Government says that every teacher must stay in the classroom and there will

be no promotion for them, and somehow public servants will run schools. That was suggested by the State School Teachers Union at one stage. It has nothing to do with that at all. Hon Ljiljanna Ravlich must think the Government has no concept of what education is all about.

Hon Ljiljanna Ravlich: Exactly right. Could you achieve the policy objectives as outlined in local management of schools without this regulation?

Hon N.F. MOORE: We would be severely constrained with the original regulations Nos 167 and 184, because they are highly prescriptive about what the jobs are. We have heads of departments in schools now. There is no regulation that covers them, but the regulations cover senior masters and mistresses. We do not have them any more. The world has moved on. Hon Ljiljanna Ravlich is living in the educational past. Some of her speeches could come straight out of the time of Dickens. She is so out of touch with reality that -

Hon Ljiljanna Ravlich interjected.

The PRESIDENT: Order! Hon Ljiljanna Ravlich has had an opportunity. I allowed interjections so that she could seek an answer from the minister. Others want to speak.

Hon N.F. MOORE: It is the intention of the School Education Bill, which is before the House, to create an education system which has significantly greater flexibility than the old system. I went through the old education system as a student and a teacher. It is highly prescriptive because the State School Teachers Union of WA over many years argued for particular positions, classes in school, kids in classes and promotional positions. Everything has been set down in regulation over many years. Everywhere one looks in the workplace, staffing structures are breaking down. Even the staffing structures in the accords the previous Labor Government in Canberra oversaw are breaking down. The notion of a highly prescriptive work structure has broken down to create better organisations. We have the same dedication as the Opposition to provide a first-class education system in Western Australia. However, we acknowledge that times and circumstances change. The architecture of our schools change. The curriculum changes. The responsibility given to schools changes.

A worldwide demand is evident for greater decision making at schools, whether or not the Labor Party or the teachers union likes it. For some reason, devolution was a dirty word for the teachers union; it even went on strike because someone wrote a draft paper about it. It has a paranoid attitude about people making decisions about what happens in their schools. Why does the union take the view that local school communities are incapable of making decisions about what will happen in their schools? It is beyond comprehension that the union would say that people with an interest in a community school should have no say in a decision about staffing in that school. They say, "You do not know how to do it; it should be left to some guru in silver city to decide by regulation that you should have two deputy principals and three senior masters, and that you cannot get out of the classroom until you have 275 students." Such prescription is no longer appropriate. It is an insult to say to people that they cannot make decisions.

It is an evolutionary process in education around the world. When Minister for Education, I took a big interest in devolution, which has happened in most other parts of the world. We are a long way behind. I recall attending a conference in New Zealand which discussed post-devolutionary policy while we were pre-devolution in Western Australia. The rest of the world had gone beyond us without a collapse in their education systems; on the contrary, it resulted in flexibility and responsiveness and the ability to take care of the interests of particular children. Every school is different, with different needs and different outcomes. We should give schools every capacity, as a result of the professionalism of principals and district officers, to make appropriate decisions for their schools.

These regulations are part of the process in the move towards greater flexibility. The Education Department and I acknowledge that the regulations were drafted in such a way that they go beyond what was required by the Equal Opportunity Commission's finding. It is an interim measure because the School Education Bill is still before Parliament. Assuming it is passed, new regulations will be drawn up in respect of school staffing. I draw members' attention to clauses 62 and 230 of the School Education Bill. Clause 62 requires each government school to have a principal. An argument has been made that the regulations do not require a principal. The new Act will require that to be the case. Clause 230 refers to the "classifications of teaching staff" and reads -

. . . the teaching staff is to consist of the following classes -

- (a) school administrators, that is -
 - (i) principals; and
 - (ii) any other office or position, or class of office or position, prescribed by the regulations;
- (b) teachers other than school administrators; and
- (c) any other class prescribed by the regulations.

It is intended under the School Education Bill that provision be made for the promotional positions which the member seems to think the Government wants to get rid of. The concerns raised by Hon Ljiljanna Ravlich about the Government's motives for getting rid of promotional positions are unfounded. We do not wish to get rid of promotional positions; we acknowledge that we must have them. However, they need not be as they have always been. We want to provide for changes in the future. Since the regulations were introduced, not one person has been affected by them. There was no intention to cause anyone any concern.

No costings are involved, to my knowledge. I will check. The intention is not to save money, but to provide more flexibility and to be able to staff a school in the appropriate manner for that school. Although I can accept that the drafting of these

regulations has caused some people to reach the same conclusions as the member has, it is not intended that the results about which the member is concerned will happen in our schools. We will simply give them more flexibility in the parameters of the education system, which is still highly centralised. Most decisions are being made by head office. If the regulations are disallowed, we will go back to what we had before. Ironically, we would return to gender-designated positions in the regulations.

Hon Ljiljanna Ravlich: It would be easy enough to get rid of gender.

Hon N.F. MOORE: That could have been done. To be fair, when this happened, we presumed that the School Education Bill would have made more progress than it has. We thought it might pass last year. It has gone on longer than anyone imagined, so the interim measures were introduced which went a little beyond the gender equity situation to reflect the current school staffing situation. The strict regulations would replace senior masters and mistresses, and a number of positions in our schools would no longer exist as no provision is made for them in the regulations. No sinister intention is involved, and the intent the member suggested is not correct. It is a holding position between the old Education Act and the new legislation. When it is enacted, we will have regulations which members can scrutinise. If they are not liked, members can chuck them out. I suspect Hon Ljiljanna Ravlich might do so, as she has a fixed view about where the education system should remain, not where it should go. However, that is a debate for another day.

Members will achieve nothing by knocking out these regulations, which will allow schools, until the new legislation is enacted, to have the flexibility which already exists, and for which some schools are hankering. We do not need to disallow the regulations. I ask the House not to do so.

HON CHRISTINE SHARP (South West) [8.18 pm]: I listened with interest to the arguments from Hon Ljiljanna Ravlich and the Leader of the House. This is not an issue about which I know a great deal; therefore, it was instructive for me to follow the debate. I have heard Hon Ljiljanna Ravlich discuss the issue of career paths, and the assurance from the other side of the House. This is a matter of serious concern to both sides of the House. I hear that times have changed, and that Western Australia is way behind in the process of devolution. It was important that Hon Norman Moore commented that the redrafting of regulations had gone beyond the requirements of the Equal Opportunity Commission's finding. Therefore, after listening to the arguments, the Greens (WA) will support the disallowance motion simply on the ground of sequence. The Leader of the House seems to be saying that there is an intent for new regulations to be introduced after the School Education Bill has been finalised. We are very close to the point of the School Education Bill's being finalised. Secondly, we know that the current drafting has caused concern.

Hon N.F. Moore: Not widespread concern.

Hon CHRISTINE SHARP: That concern has reached the level of this Chamber.

Hon N.F. Moore: That is only because the State School Teachers Union told members to be concerned and the union does not represent a broad spectrum of views on education.

Hon CHRISTINE SHARP: That may be so. However, I believe that if we were implementing a system that would be in place for many years, perhaps this debate would go rather differently. However, this is why I am talking about sequence. We are implementing something temporary and not necessarily perfect and we know that we will soon have new regulations when the School Education Bill is finalised. On the grounds of allowing redrafting and greater consultation and a good sequence for improvement to take place, I will be supporting the disallowance motion.

HON HELEN HODGSON (North Metropolitan) [8.20 pm]: I have listened with interest to the debate, in particular to the comments by the Leader of the House. I am reassured to hear that the consequences of this disallowance motion are not intended to remove promotional structures, because even though it is not intended, that is the effect. When looking at the promotional structures in schools - and I say this from having watched family members working in schools and going through the various steps - a couple of things need to be taken into account. The principal is obviously the focal point. However, we need deputy principals not only to provide leadership for the school community but also as part of the leadership team. The positions also enable the deputies to develop the necessary skills to allow them to advance to a principal's position.

I listened with interest to the arguments about flexibility and I concede that there is merit in that argument. My concern is that if we start to put non-educators into these positions, we will not be training educators to take the leadership role of principal. I concede that there is scope and it is a good idea for a registrar in a school who has accounting and bookkeeping qualifications to take on a large part of the administrative duties. However, the deputy positions must be maintained in order to ensure the availability of promotional positions and to allow teachers to be trained to take that final step forward towards becoming a principal.

I have no problem with the concept of flexibility provided that it is built around a structure which ensures progression for educators as opposed to progression for administrators. I acknowledge that the principal will have a dual role. Dealing with administration as well as education is a part of being a principal. However, if a pure administrator is put into a principal's position -

Hon N.F. Moore: There is no intention of doing that.

Hon HELEN HODGSON: The minister has already acknowledged that there is no intention of doing that. However, if there are no interim levels, with only teachers and principals, how does one train principals?

Hon N.F. Moore: Nobody is saying we are getting rid of deputy principals. We are saying that instead of having a principal and a deputy principal in a school, there may be one principal and one administrative person.

Hon HELEN HODGSON: That may be the intention but that is not what the drafting says.

Hon N.F. Moore: It is the intention.

Hon HELEN HODGSON: The drafting says that there will be a principal and such teachers as are determined to be required. That means that the chief executive officer may determine that a deputy is required or that no deputy is required. I am not saying that there must be the level of prescription that currently exists, but saying that a structure must be in place to ensure that there is a mechanism for teachers to learn to become principals. On that point, the Leader of the House commented about the ability of school councils to be involved in staff selections. That is still, to some extent, dependent on legislation that has not yet been finalised.

Hon N.F. Moore: I do not think I said school councils at all. I think I said communities. I was talking in general terms about devolution.

Hon HELEN HODGSON: I am sorry, communities. However, even this regulation does not include the community taking part in that decision, only the CEO. If that is the intention, even that is flawed in its concept.

Hon N.F. Moore: I was talking about devolution in general terms. The member should be fair.

Hon HELEN HODGSON: I agree with the Leader of the House on the issue of gender. There are places for male and female role models in schools. The Equal Opportunity Commission has determined otherwise. I believe that there is scope, particularly dealing with adolescents at secondary or middle schools, whatever they are being called now, when a young woman needs to have access to a female role model or a young man needs to have access to a male role model. However, presumably there are ways of dealing with that without locking them into gender specific positions. That is the Equal Opportunity Commission's position and something that must be complied with. However, we do not do that by giving so much flexibility that there is no longer any apparent career structure for teachers.

The Australian Democrats will support the disallowance of this regulation. I appreciate it will have only a short-term effect as new regulations will be coming into force very shortly. However, I note the dates of these regulations, which were originally gazetted on 5 February. Because of the disallowance procedures in this place, it is now June and much of the promotional issues for next year are already being determined. What will happen, if we allow these regulations to stand until the new regulations are ready, to people who are seeking to make career changes in this calendar year? I suggest that we are better off sticking with the known system until the new regulations are in place, rather than taking a two-step process. We will be supporting the disallowance.

HON DEXTER DAVIES (Agricultural) [8.26 pm]: I would like briefly to give members the benefit of my experience, which is more recent than anyone else's in this Chamber. I have been involved as a parent on a parents and citizens committee, on a school council, on the Western Australian Council of State School Organisations and in the process of devolution, especially in a district high school where the benefits of flexibility really apply. What counts in these district high schools, where my kids and the people in my home town went, is the opportunity to have the teachers there who benefit those kids the most. That is what really counts, not a specific structure that is built up there. The biggest complaint that I had when I was representing people as a parent was that through that structure we had to put up with what we were given that was not appropriate for our kids. The school exists to educate our kids as well as to provide a career path for teachers, which is not denied, as the Leader of the House said. However, as a parent representative involved all the way through those organisations I mentioned, more than anything else the biggest concern expressed to me was the requirement for teachers who would provide the best structure and the best education for our kids to get through that district high school, and for that school not to be built around having the same sized classes and all those things that fit in little squares and little boxes all over the place. Every district high school is different. There must be flexibility to deliver the best education in those schools; we need that flexibility more than anything else. That was the biggest complaint brought to my attention in more than 15 years of involvement in trying to help deliver an education system that worked for the benefit of the kids. That was my concern and, supposedly, the concern of WACSSO. I can tell members that there was a problem sometimes in our representations at WACSSO. However, it was about the flexibility of delivering the best education for the kids. As someone who was involved at every level of that district high school and district high schools right across the Moora and Merredin districts, I can assure members that every school has different circumstances. Hon Tom Stephens would know that all schools are not the same. If one goes out to the district schools and says, "That is the system, we will make that structure fit here", one gets real problems because different schools need different structures to get the best results.

Hon Ljiljanna Ravlich: Schools do have the right to work out their staffing formulas.

Hon DEXTER DAVIES: Flexibility is important.

Hon Ljiljanna Ravlich: They have that flexibility in staffing.

Hon DEXTER DAVIES: Provided they meet a fixed formula, and in small schools, that is a waste of resources. People used to come to the P & C meetings and the district council meetings and say they could not work out why the school could not fit in a physical education teacher or a specialist music teacher, and I would say it cannot have one of those teachers because it has two deputies and not enough FTEs are left over, and the formula is too rigid. The only way we can correct that is by having flexibility. That is the only way to achieve the best education for the students. I advise members to think carefully about that matter, because it is of real concern to those people whom we represent in those district high schools, where the situation is very different. For that reason, I strongly recommend that this Chamber does not support this disallowance motion, because it is the people in those small schools for whom we are trying to deliver the best education, and we can do that only by having a flexible situation that can fit the circumstance in those district high schools.

HON DERRICK TOMLINSON (East Metropolitan) [8.31 pm]: In leading the debate, Hon Ljiljanna Ravlich ranged over many educational issues, and I have a great deal of empathy with many of the positions that she took. For example, it is essential that our teaching service in government schools restore its professional pride, because from my observation it is as low as I have ever seen it. It is essential for the wellbeing and quality of teachers in government schools that an assured career path is available to them. Many of the positions that Hon Ljiljanna Ravlich argued I would support. I am disappointed, however, in the opposition - I think it is a reactionary opposition - to the proposal to move away from a prescriptive allocation of promotional positions, or a prescriptive allocation of teachers in schools, to a more discretionary allocation.

To illustrate my preference, I will try to describe a school in East Metropolitan Region. I will not name the school, because I do not want what I will say about that school to be misrepresented elsewhere, but it is a school with which Hon Ljiljanna Ravlich is very familiar. That school has about 350 children, about 40 per cent of whom are Aboriginal. That school has the full range of student abilities, with very able and high achieving students, but a disproportionate number of students who are underachievers. That school has more disabled children per head of school population than one would find in the general population. That school has three classes of what is now called ed support. That school has a large number of children who have only one parent. I was at that school about a fortnight ago, and I sat down in the playground with a small group of year 3 students and we chewed the fat about football and soccer and all manner of things, and out of the blue one little tyke - I guess he was about nine years of age - said, "Me mum ran off last night." I said, "Oh! Where did she go?" He said, "She ran off with a bloke that she met on the Internet." I said, "That is a bit disturbing, isn't it?" He said, "Yes. Me dad is a bit pissed off that she found this bloke on the Internet." I said, "Where is he? He must be a long way away." He said, "No. He came over here and met her, and they ran off together." He had a pragmatic acceptance of that being the norm among his peers.

Like many of these communities, this school has a high proportion of delinquents. The local police officer visits that school regularly. I am not describing a fictional school. It is not a school I am inventing. It is a school which is real and exists in a dysfunctional community in East Metropolitan Region. In the past eight years, that school has had three principals. The fourth principal has been appointed only recently and will take up his position at the commencement of the 2000 school year. When I first went to that school as member for East Metropolitan Region, I met one of the most professional and innovative educationalists whom I have had the privilege of meeting in our Western Australian education system in government and non-government schools. He had made a detailed assessment of the children in his charge. He had recognised that for them, the conventional lock-step progress through a curriculum which is age-related rather than which addresses the stages of intellectual, social and emotional development of those children is not appropriate. Rather than put groups of 30 children into classes in which they move through a standard curriculum according to a standard timetable and according to a standard expectation of chronological progression, he had seen the need to structure the school according to the assessed levels of development of those children. In order to do that, he had to break the mould and the strictures of the staffing formula. Fortunately, he had a very sympathetic district superintendent. I think the formula for the staffing of that school was one principal, a deputy male and a deputy female, and one teacher for every 30 children or part thereof, and the Education Department allowed for the allocation of one supernumerary teacher for remedial or special programs where need could be demonstrated. It was not difficult to demonstrate that need in that school. However, to deliver educational programs which addressed the educational, intellectual, social and moral needs of those children, even the prescribed formula plus one supernumerary was not sufficient for the principal to mount the program that he needed to mount. Therefore, the district superintendent, with the acquiescence of head office of the Education Department, found an additional supernumerary teacher. That broke all the rules, the formulae and the strictures of staffing. That program is one of the most exciting educational programs that one can observe. The outcomes and achievements are tiny, and the progress among the children of their intellectual growth was small but in that school there was a sense of professionalism, dedication and purpose among the teachers and a willingness among the children to be there. It was a happy school. The rules had to be broken. Those rules relating to staffing had to be transgressed, not merely by the principal and the district superintendent but by the Education Department. Unlawful flexibility was applied to allow discretionary allocation rather than a prescriptive allocation of staff. That was possible only for as long as the district superintendent was able to persuade the decision makers in head office that it was justifiable to work outside the prescriptive guidelines. The following year it was not possible to do that. The following year the school even lost its one supernumerary teacher.

What we observed there was an exciting education program which addressed the needs of the children having to revert to that prescriptive lock-step box management of children rather than an educational program which was about the children. That school illustrates what this amendment to the regulations is attempting to do. Instead of allocating staff to a school according to a prescriptive formula which lays down a deputy, a given number of deputy principals and a given number of teachers according to a prescribed number of children, this regulation makes possible the allocation of staff according to need.

Let me illustrate what the principal of this school did with his prescribed deputy female and prescribed deputy male. He had a deputy principal curriculum and a deputy principal management, not a female whose job was to look after the so-called female interests of the girl students and a deputy principal male who was assigned to look after the so-called male interests of the boy students. The principal recognised that he needed somebody who would give educational leadership and guidance to the development of curriculum, learning materials and progressive programs that fitted with the educational structure that the kids in that school needed. So they got leadership from taking that deputy principal female and turning her into the deputy principal or director of curriculum. The other deputy principal concentrated on the day-to-day management or the "administrivia" of the school as well as giving professional leadership as part of the three-person leadership team to the teachers in the school.

The principal said, "I need one other in my leadership team to focus and concentrate, not on the curriculum because I have got a director of curriculum, and not on the "administrivia" and management of personnel because I have that person, but on the diverse social and emotional needs of the children." The person would be a director of student services, if one likes to call him or her that, because that is what those kids needed more than anything else. That was his professional judgment. He worked with his professional team, worked with his leadership team and developed an educational program, and said that was the key element that was missing. By persuasion, coercion, cooperation, acquiescence and turning a blind eye, they managed to get two supernumerary teachers to mount their program but they could not by any means break that formula which said, "Thou shalt have one principal, one deputy principal male and one deputy principal female." That principal could not include in his educational program that component which gave to the children a mentor, a guide, a leader and a significant person in their lives. Those kids lacked significant persons. For them, role models are a nonsense. Role models are blokes who seduce mum over the Internet. Female role models are the mum who pisses off with the bloke who seduces her over the Internet.

Do not talk about role models to these kids. Do not talk about significant others to these kids. That is the sort of person that the principal of that school saw he needed. He worked within a prescriptive, regulated system which said that the quality of educational experience means treating every child the same way. What a nonsense that is. Every child is different. One teaches and treats every child differently. What mum or dad does not know that? I could not treat my daughter in the same way as I treat my eldest son. Their personalities are like chalk and cheese. My second son is so different from the other two that I have to treat him quite differently. I have a different relationship with each of my children. I speak and behave differently with each of my children. In a classroom a good teacher does just that. Every child has a different intellectual capacity, emotional needs, emotional development, and approach to learning and learning style. We have a prescriptive education system which says to treat them all the same. Equality does not mean the same treatment. Educational equality means unequal treatment according to need.

If we are to have that sort of educational system which addresses the needs of children, we must break the constraints of this prescriptive regulatory system. I commend the Education Department for attempting to take this opportunity given to it by the Equal Opportunity Commission to break the nexus to allow it the opportunity to staff schools according to need. That would not necessarily destroy the career opportunities of teachers; in fact, it would emancipate the career opportunities of teachers. Instead of saying, "I will become a deputy principal and administer a school, I could move into a promotional position and still be deeply involved in curriculum and pedagogy as director of curriculum. Alternatively, I could become deeply involved in administration if that was my wont, or I could become deeply involved in the personal development of children." Instead of having two deputy principals at that school, there could have been three promotional positions equal in status, remuneration and conditions of service as the two deputy principals. That could have been possible. I am deeply disappointed to hear the reactionary response from the other side of the House because it does not understand what educational equality really means.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [8.50 pm]: I have found useful the contribution to the debate from members because it has highlighted many of the reasons that this disallowance has been moved. I appreciate that in my absence Hon Ljiljanna Ravlich was able take over the argument for this motion for me.

I am deeply mindful of the points Hon Dexter Davies has made about the need for the system of education provided by the Government throughout the State to be flexible. I listened intently to the points he made because they resonate for people such as him and me who represent areas where this flexibility is essential for the various educational contexts. I am also mindful of the resonance in the contribution from Hon Derrick Tomlinson. My response is simply this: Of course, all of those things are correct, but another essential ingredient about a system being flexible is to ensure that the participants in the process are considered as that flexibility is developed.

Essentially, as the members in government have pointed out, what happened here was that an opportunity arose by virtue of the need for fresh regulations following the decision of the Equal Opportunity Commission to strike down regulations that had proved very useful to people in the remote areas of Western Australia. Unfortunately, the commission found aspects of them to be discriminatory and it was necessary to amend those regulations. However, in the process of drafting fresh regulations to meet that challenge, it remains absolutely essential that Government bring with it the work force that is participating in the delivery of educational services across this State. It would appear that no genuine effort was made to achieve that outcome in this process. In fact, the industrial groups that represent the teachers and principals in this State have made it clear that the career structure is effectively under attack by this change of the regulation; it has not produced a sufficiently attractive alternative for the present flexibility.

For those of us who have watched the growing problem of delivering teachers into the country areas of Western Australia and who recognise that this problem is reaching crisis proportion, it can be seen that there is an imperative in building back into that whole teaching profession a rewarding career structure which is flexible and does not necessarily need to have these deputy positions in the future. The Government must bring the work force, the unions and the representative organisations along this path of change rather than simply slipping in a change in the hope that it can be got away with it and not be up-front about that process from day one. That is why I am pleased that the Government is being pulled up on this occasion, given the support expressed by the majority in this place for the disallowance of this regulation. It says clearly to a very busy minister, who is undoubtedly overworked by his portfolio loads, that he is nonetheless still charged with the responsibility to return to discussions with that work force and the representative organisations to find a way to deliver the flexibility inside a career structure that will gain the support of the Government, the parent groups, and the principals, deputy principals and teachers of this State. To do otherwise is effectively to deliver a recipe for disaster that we as a State cannot afford. To put any more minefields in this profession, in which people are being discouraged from becoming teachers and from taking up positions in schools across this State, particularly in the country and remote areas of Western Australia, is to do enormous

damage to the fabric of Western Australia, an act that we, particularly those of us who represent regional areas, can no longer afford to accept. The challenge is to do this in a cooperative way that still keeps in place a career structure that has the support of that work force and its representative organisations so that more and more people are attracted to this profession, and to take up positions in the regional areas of Western Australia that are too frequently remaining vacant for extended periods, or are filled with young graduates or people in an acting capacity for short periods while they wait to get out of those regional areas and back into preferred locations, essentially around the metropolitan area.

Hon Derrick Tomlinson: Or in the Kimberley.

Hon TOM STEPHENS: Or in parts of the Kimberley; regrettably some schools in the Kimberley region, for reasons that escape me, are considered to be hard to staff. I do not know why people would call those locations places that they would not choose to teach in, but that is the reality. All I say to the Government is that it should take up the challenge that the House is delivering to it tonight and go back to the coalface and bring forward a regulation that attracts the support of the work force.

HON LJILJANNA RAVLICH (East Metropolitan) [8.58 pm]: I thank all members for their contributions. It has been a very good debate. The theme that emanates from the Government is that greater flexibility must exist in the education system. That is something to which the Australian Labor Party does not object. We too see the need for greater flexibility. I thank Hon Derrick Tomlinson for putting on record his experience and the way in which staffing flexibility can benefit arrangements at the grassroots level when it comes to the way that a school is organised and operated. I too have been in a district high school and I can relate to what was said about both those cases. However, local flexibility must be balanced against what is good for the overall system. Sometimes the two can be incompatible. The matter must be considered very carefully. There is no point in having flexible arrangements at the local level if at the end of the day we cannot staff schools and get people into the profession because there is no career structure.

I thank the Leader of the House for making an admission - it does not happen often - that these regulations were poorly drafted.

Hon N.F. Moore: It is probably the first time it has happened.

Hon LJILJANNA RAVLICH: I am putting it on the record.

Hon N.F. Moore: I look forward to your saying that you have made a mistake, which will happen frequently in future.

Hon LJILJANNA RAVLICH: He also admitted that these regulations may have gone too far. I pick up the leader's point that principals should be educational leaders. It would be a very sad day indeed if educational positions within school structures were traded off to other professionals.

Hon N.F. Moore: No-one said that; please do not misrepresent what I said.

Hon LJILJANNA RAVLICH: The leader made the point that we may not need two deputies. One position could be allocated to an accountant -

Hon N.F. Moore: Or an IT expert, a psychologist or whatever.

Hon LJILJANNA RAVLICH: It will be a sad day when we lose educational positions within school structures to non-educational professionals.

Hon N.F. Moore: That is extraordinary.

Hon LJILJANNA RAVLICH: I would not like to see that trade off. The leader continually states that I live in the past, in a cave or whatever. I do not think I do. I am not convinced that school rationalisation is the way to go. The additional pressures and the rate of change that is being forced on the state education system are not being embraced by anyone. Introducing workplace agreements and capping promotional opportunities and career paths for teachers is not a progressive step.

Hon N.F. Moore: No-one is doing that.

Hon LJILJANNA RAVLICH: This initiative might be the Government's way of trying to save a dollar by transferring staffing responsibilities from a central agency, such as the Education Department, to the local, grassroots level without the transfer of any resources. That has been a government trend and it concerns me because I am not convinced that the Government will achieve its desired outcome.

Obviously these regulations were drafted to make them less prescriptive, but they have gone beyond that which is reasonable. I am pleased that the State will have a new Education Act before very long. That will be the appropriate time to make these changes to the regulations. I hope that when the regulations are being drafted to address this issue, the Government will consult with all the stakeholders much more thoroughly than it has about the proposed changes to these regulations. I hear from all quarters that there has been no consultation.

Hon N.F. Moore: Have you read the Hoffman report on devolution? It was a significant document dealing with this question. Those involved consulted thousands of people.

Hon LJILJANNA RAVLICH: I am talking about the consultation about these regulations and a new Act. If that is the leader's response to the stakeholders - that the Government consulted when it did the Hoffman report into education -

Hon N.F. Moore interjected.

Hon LJILJANNA RAVLICH: How long ago was that?

Hon N.F. Moore: Probably three years ago, and it is very relevant.

Hon LJILJANNA RAVLICH: If the leader is telling me that he does not have to consult because of the extensive consultation conducted during the Hoffman inquiry, I have news for him and it is all bad. That is appalling.

Hon N.F. Moore: We have an inquiry into an issue and you say it is not enough.

The PRESIDENT: Order! The member is trying to wind up.

Hon N.F. Moore: I hope so. No wonder the education system is in such a dreadful condition.

Hon LJILJANNA RAVLICH: I hope there is greater consultation. The leader constantly chants that this is part of a world trend.

Hon N.F. Moore: I am happy to provide you with the money to go and have a look.

Hon LJILJANNA RAVLICH: I would much rather make decisions and have confidence in those decisions, even if the rest of the world is going down this privatisation path. Just because everyone else is doing it does mean that we should. Perhaps we should think for ourselves.

Hon N.F. Moore: We should never let ourselves imagine that the twenty-first century is nearly upon us!

Hon LJILJANNA RAVLICH: I am disappointed that the leader says the world is doing this so we should follow that lead. I do not think like that. If we decide to follow everything that the world is doing, we should pack up and go home because there will be nothing left for us to do.

The Australian Labor Party is not against flexibility in education. However, it believes that this measure goes too far. As my colleague Hon Tom Stephens explained, it was probably a bit ambitious of the Government to take a ruling by the Equal Opportunity Commissioner about the deletion of reference to males and females and to use it to attempt to delete the promotional structure and justify a major policy shift without consultation. Teachers are critical to the education system. They have had a rough trot as a result of the rate of change introduced by this Government -

Hon N.F. Moore: Do you remember Bob Pearce?

Hon LJILJANNA RAVLICH: The new regulations will be drafted, and I hope that will happen with full consultation. I will be happy to see the rate of change decrease and full consultation at the appropriate time, following the passage of the Education Bill.

Question put and a division taken with the following result -

Ayes (13)

Hon J.A. Cowdell
Hon E.R.J. Dermer
Hon N.D. Griffiths
Hon John Halden

Hon Helen Hodgson
Hon Norm Kelly
Hon Ljiljanna Ravlich

Hon J.A. Scott
Hon Christine Sharp
Hon Tom Stephens

Hon Ken Travers
Hon Giz Watson
Hon Bob Thomas (*Teller*)

Noes (12)

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

Hon Max Evans
Hon Peter Foss
Hon Ray Halligan

Hon Murray Montgomery
Hon N.F. Moore
Hon M.D. Nixon

Hon B.M. Scott
Hon Derrick Tomlinson
Hon Muriel Patterson (*Teller*)

Pairs

Hon Tom Helm
Hon Cheryl Davenport
Hon Kim Chance
Hon Mark Nevill

Hon Barry House
Hon Greg Smith
Hon Simon O'Brien
Hon W.N. Stretch

Question thus passed.

APPROPRIATION (CONSOLIDATED FUND) BILL (No 1)

Second Reading

Resumed from 17 June.

HON JOHN HALDEN (South Metropolitan) [9.11 pm]: I rise to address an issue of significant importance to my electorate.

Hon Max Evans: Are you the lead speaker?

Hon JOHN HALDEN: I have advised the Chair that I am not the lead speaker, although I am speaking first. The lead speaker will be the Leader of the Opposition.

Hon N.F. Moore: Has he pulled rank again?

Hon JOHN HALDEN: No; I think he has much more to say than I do.

Hon N.F. Moore: At least you know what you are talking about.

Hon JOHN HALDEN: I will return now to my speech.

Hon N.D. Griffiths: It is more pertinent than the awful interjections that were made before I spoke.

Hon JOHN HALDEN: The issues to which I refer are important to Western Australia and I am sure they will have a significant impact on Western Australia and its finances. I was surprised when I recently learnt about a decision by the Department of Resources Development as a result of which the local content unit of that department, a small unit of two people, had been abolished. The unit's functions were to be redeployed within the department.

Hon Max Evans: What is the unit?

Hon JOHN HALDEN: The local content unit.

Hon Max Evans: Has it lost its local content?

Hon JOHN HALDEN: Yes. Some time ago the Government put out a glossy document at a very expensive breakfast at one of the major hotels in Perth to announce its local content policy that was strong on saying things might happen, could happen or should happen. However, there were no prescriptive arrangements for why they would occur. In spite of that, the local content unit and the policy regarding local content has achieved some reasonable successes.

The primary obligation of the local content unit is to ascertain what jobs could be performed in Western Australia, to advise the various business sectors in Western Australia of the potentiality for these jobs, that tenders were to be let, contracts were to be organised and the opportunity was available then for significant investment to be made in Western Australia and that significant job creation would occur in Western Australia. In fact, a sizeable industrial sector has been established in Western Australia based on the issue of local content. It is difficult to ascertain the Australian Bureau of Statistics figures exactly. I therefore make no apology for the inexactness of what I am about to say. The 1996 census statistics indicate that approximately 22 110 blue collar workers are involved in the fabrication of heavy industrial sectors of our economy alone.

The Western Australian Department of Training statistics from 8 June 1999 show that approximately 1 500 apprentices are involved in the fabrication of heavy engineering sectors in our economy. It is clear that if we can attract local content and convince Western Australian businesses to secure contracts and to employ many people, there will be significant advantages for Western Australia. If we do not, there will be significant disadvantages in an array of areas.

Members opposite may remember that in a former life of mine in this Parliament, as a shadow minister in other areas, I referred to what was called the Worley report which referred to the difficulty of developing sufficient tradespeople who were sufficiently skilled in certain areas to do the jobs in the heavy industry fabrication sector of our economy. That committee was established at the time to ensure that the skills development in those areas was appropriate so that we were not forced to import labour from off shore. I am quite sure that is an outcome that everyone in this House will consider to be appropriate.

The Worley report clearly delineated the need for continuity of supply. It highlighted the fact that this had been an industry in which there were peaks and troughs of significant proportions and for a sufficient supply of skilled tradespeople to be available in this area we needed sufficiency of supply and the necessity to train enough tradespeople to the required level and continued to train apprentices to fit in once those tradespeople moved on into other occupations or retired or whatever.

It was considered that the economic advantage warranted ensuring that there was a sizeable, sustainable heavy industrial sector in this State, not only in its own right but also so that it could support a ship building industry, the various construction needs of our off-shore petroleum and gas industry and the varied demands of our resource sector. The Government has said it would do all those things, and it should be applauded for that. In order to maintain our heavy industry fabrication sector each year, about \$3b to \$4b of resource development projects will have to come on stream. We are just starting to fall below that line. In the past week that has resulted in the shedding of jobs on the Kwinana strip so that businesses can survive. We are already seeing job losses in this sector.

In my research into this matter, I contacted the Chamber of Commerce and Industry. I expressed my concerns about a decline in this very important sector of our industry. It acknowledged the decline. Of more concern was the fact that it also acknowledged that the decline was likely to become more extensive and was likely to last for at least another 18 months to two years. I spoke to my colleagues in the Australian Manufacturing Workers Union who confirmed that job shedding was already happening in this sector of our economy. The best advice I had from a variety of sectors - the industrial movement and employers - was for a continuation of that job shedding for at least 18 months. The best guess that I could muster on this matter from talking to a variety of people is that a conservative estimate of the job losses in this sector is 2 000 to 3 000 jobs. Not only will there be job losses of that dimension, but also the potential for apprenticeship losses. Currently this sector employs roughly 1 500 apprentices. No-one can be specific because they do not know the extent of the downturn in this area, but it is likely that hundreds of apprenticeship job losses will occur on top of the 2 000 to 3 000 jobs lost by blue collar workers. What has not been contemplated in what I have already said is that job losses to white collar workers in administrative, professional and technical fields are likely to run into the thousands. That means job losses in a very

important sector of our economy which can provide and create significant financial benefits and significant job creations into the longer term in an area that has not traditionally been spectacularly strong in our economy but very important in terms of its future. I concede that the buoyancy and desire to get this economy onto a reasonable level basis is always difficult, but it is not there at the moment.

I want to look at some of the specific problems of this sector. I am pleased that the Minister for Finance is here, because I am interested in his comments. A number of absolutely lunatic decisions have been made at the state and federal level. At the federal level a tariff of 3 per cent is placed on the importation of titanium steel which is used extensively in the heavy metal area. Australia does not produce titanium steel and must import it. If it is imported in its untouched state to be fabricated by drilling, bending or whatever, we pay a 3 per cent bounty. However, if it is brought into Australia as a whole item, that bounty does not apply. That federal bounty discriminates against Australian workers getting a job. Surely if the Federal Government were serious about a sensible tariff policy, it would be the reverse.

Hon Max Evans: Is that a recent import?

Hon JOHN HALDEN: I do not know when it was brought in but the Industrial Supplies Office of Western Australia and the Australian Manufacturing Workers Union have written to the federal Minister for Industry, Science and Resources, Senator Nick Minchin. Senator Campbell from New South Wales has written to the minister and said, "For goodness sake, think about the implications of this policy; it means that you want work to be done offshore and not onshore." Senator Campbell has not yet received a response from Senator Minchin but the response received by the ISO in Western Australia is that the Federal Government will not change its policy.

Hon Max Evans: Can we not produce the raw material or is the volume not enough?

Hon JOHN HALDEN: I do not know the answer to that. This piece of industry policy is nonsense. I am glad the Minister for Finance is present. The Government of Western Australia, of whatever political persuasion, must bring to bear on the Federal Government and this minister the stupidity of this policy.

Hon Max Evans: The Australian manufacturers council was set up by the previous Government. Ken Court as well as a number of union representatives were members. I do not know whether it still exists but it had quite a big input into manufacturing policy.

Hon JOHN HALDEN: I may be wrong, but I think it has been replaced by the ISO of which there is considerable bipartisan input. Everyone is on side but no-one can convince the Federal Government of the stupidity of this process. The process is even more stupid in a time when we accept that the resource development sector is likely in the next 18 to 24 months to go into a downturn. We need to attract every possible dollar there is to create products and jobs in this State and in this nation. I am sure the minister responsible will be asked questions by the Press tomorrow on this. We need to ask Senator Minchin whether he is serious, because this is nonsense.

Hon Max Evans: Does a regulation or an Act set these tariffs?

Hon JOHN HALDEN: I understand it is by regulation.

Hon Max Evans: It would not be hard to change them then.

Hon JOHN HALDEN: I may be wrong, but I understand it to be that way. Other matters need to be considered on this issue. These are state matters. I understand that the Fremantle Port Authority has issued tenders for a sulfur unloader at the Kwinana port to deliver produce to the Murrin Murrin project. Tenders closed in January of this year, and four overseas tenderers and one Western Australian-Tasmanian joint venture tendered for the project. I understand that this joint venture - I will not name the company, although I could inform the minister if he is interested - was very competitive in this process. No tender has yet been announced, but concerns are evident within the industry that the Australian tender may not have been given a fair go to supply the unloader. I quote from a document which I would prefer not to table, although I will if the minister wishes. It was not written by the Australian manufacturing workers union. I am happy to provide a copy privately. The real lunacy is that the Fremantle Port Authority is saying that the Australian consortium has never done this work before; therefore, the authority does not want to take the risk to allow the consortium to do it now. The Fremantle Port Authority, for noble reasons or otherwise, will undertake an international expedition to look at the other four tenderers' work on unloaders throughout the world. Western Australia had never built a platform before that for Rankin A, and we did it very successfully. We had never built a direct reduced iron process plant in this State before -

Hon Max Evans: It does not work yet.

Hon JOHN HALDEN: No, but we had never done it before. We had never built a gas pipeline before that of the dimensions undertaken by the former Court Government.

Hon Max Evans: We had never built a pipeline to Kalgoorlie before either.

Hon JOHN HALDEN: Exactly. If it is said that because it was not done before, it cannot be done here now, we will never create an industrial sector and work force which can do such work. If we accept that sort of nonsense, we will never get to the starting line. We will never have citizens of this State skilled, or companies able, to perform such work. That is why we need a local content unit. We need people specifically dedicated to driving, informing and assisting Western Australian industry. The local content unit of the Department of Resources Development consisted of two people. I understand that it was necessary to save some money in that department. I have spoken a lot in this place about the necessity to cut back on recurrent expenditure. However, this decision might need a little review.

Hon Max Evans: One of the laughs I have is that about the only place in the world not to use DRG ticketing is Western Australia, yet the machines are made here. The decision was made, for whatever reason, to be the only place without them. It is one of those stupid situations.

Hon JOHN HALDEN: Exactly. We are considering a unit which could not possibly cost \$200 000 a year to operate; I exaggerate. It is supported by various trade unions and industrial sectors. However, it is closed when it could generate hundreds of millions of dollars in potential work. It has been successful in the past. It is difficult to measure where it has been successful in work provided in the State. However, we say no to this unit.

Hon Max Evans: Has the decision been made to allocate the tender to the outside people, or did you think it would be made?

Hon JOHN HALDEN: The decision has not been made. However, it will not be made in line with its traditional core element. That is my point. People in the Department of Resources Development are responsible for getting up particular projects. I accept that. It will then be their job to try to encourage local content within those projects. A conflict of interest arises in that job, which is almost impossible to achieve with conflicting ambitions. If one wants the project to get up, one must sell all the benefits or whatever. One does not want any down sides in what one might require of a developer. The local content unit said that it must now consider that aspect. This was not only the easy option of choosing the experienced Singapore, Korean, Japanese or Philippine environment, with extensive industrial potential for the work, but it must also give this State a chance to carry out the work. A direct conflict of interest is involved in those expectations.

A significant requirement has applied for multi-million dollars of remedial work in the fabrication sector offshore. I am glad the Minister for Transport has returned from parliamentary business outside the Chamber.

Hon M.J. Criddle: I do not often leave the Chamber.

Hon JOHN HALDEN: I do not mean that offensively at all.

Hon Max Evans: You raise a good point.

Hon JOHN HALDEN: I am happy to raise it again.

Hon Max Evans: Take it up with the minister afterwards.

Hon JOHN HALDEN: Maybe that is a better option.

We must look at the necessity to develop Western Australian based skills in this important sector. A number of resources projects are likely to come on stream, or are on stream, without the necessary operatives pushing for significant jobs to be performed in this State. The likelihood of lost opportunity is very real.

I refer specifically to the budget and address the Jervoise Bay issue. The budget states that \$160m will be committed to Jervoise Bay for the construction and support of the shipbuilding industry, the support of offshore gas and oil production and for resources development production throughout the State. The minister understands that that is his Government's policy, which the Opposition has supported with a fair degree of political pain. However, this Jervoise Bay project is due to come on stream during the downturn. Unless the Government of the day is prepared to go into the community, be proactive in securing local content, assist Western Australian business in doing that and ensure that the skill levels of all of those blue and white collar workers are maintained, the reality is that Jervoise Bay will be opened in a downturn at a time when the Government has not committed the political and economic resources to ensure that there are enough contracts for the project to get off the ground and be seen to be meeting its potential. That is a problem for the Government and, not being too precious about this, is probably also a problem for the Opposition. However, we say that it is the Government's responsibility to manage the environmental issues there. The Government says it can; we believe it. However, we actually have an expectation about this project, how many jobs it will create and what it will do in the long term for Western Australia. I am sure the Government has the same expectation. The great difficulty in what it is currently doing is not providing the necessary support at very minimal cost to achieve that end. It is not giving this significant investment of public moneys - because it will be demanded as the project is under scrutiny - the prerequisites of enough work capacity to get off the ground and to go.

I say to both the Minister for Transport and the Minister for Finance, who are now in the House, that if the Jervoise Bay project is perceived as a white elephant for any period of time, the Government - and to a lesser extent the Opposition - will have a significant problem. In that way all of us must be proactive in this process; there cannot be penny pinching. If the Department of Resources Development has a financial problem - I do not know whether it does or not as it is not my shadow portfolio area - it should restructure in a way that will ensure the continuity and integrity of local content. I do not have a great phobia about the name but I do want to know that there will be an enormous propensity to support the process.

Projects are coming on stream. We know there will be a development in the Timor Sea, probably in the vicinity of \$1.5b with some local content work there. There are many other projects with a significant amount of local content.

Hon Max Evans: On the Timor Sea project I have not yet worked out whether it is the Northern Territory's Timor Sea or Western Australia's Timor Sea.

Hon JOHN HALDEN: I do not think it matters. The reality is that the Northern Territory cannot provide any fabrication or heavy industry support to that project and we need to ensure that every possible dollar of work in that sector that can be gained for this State is placed here. The specific importance of Jervoise Bay is that although the industrial sector is in its infancy, if it does get up and can sustain itself, it will not be about local content into the future but about providing heavy industrial and manufacturing services throughout this nation. With, I concede, some degree of optimism, I must say if we get the technology and the local labour content right, we should be exporting, particularly back into South East Asia. There

is enormous potential there for this State and we should not be penny pinching at this stage. The Minister for Transport may be interested in the point that we should not be considering the potential construction of the sulfur unloader into Kwinana taking place offshore. It is not a large contract - roughly \$10m, as I understand it.

Hon M.J. Criddle: Yes.

Hon JOHN HALDEN: However, I understand from both the union movement and employers that there is a relatively competitive bid from Australia by a joint venturer from Western Australia and Tasmania. If that is the case, that is an opportunity for Western Australia, even if it is more expensive. I do not know the realities because no-one has told me them. I am sure the ministers would understand that if I knew them I would be telling them this second. However, it is an opportunity to seed this industry. The potential is absolutely enormous and it should not be underplayed because the Government understands, by virtue of its commitment to Jervoise Bay, the significance of this matter.

Hon M.J. Criddle: Yes.

Hon JOHN HALDEN: I have made the comments, we can read the *Hansard* and we do not need to go over it again.

Hon M.J. Criddle: I will be interested in hearing your conversation.

Hon JOHN HALDEN: I thank the minister for that because it is important. I do not want to criticise. On the one hand I can criticise the Minister for Transport but on the other hand I understand the Government's commitment to this project; the minister just needs to refocus and get on top of it. The Government must understand that industry and the union movement are concerned.

I was talking today to the assistant secretary of the Australian Manufacturing Workers Union. People down on the Kwinana strip are already being laid off. That situation will worsen and I have given the minister the potential extent of that. These are not my figures but the industry's and the union movement's figures. I do not know the accuracy of those figures as no-one can predict it. However, it requires the Government to acknowledge the problem and it must act now and not be so shortsighted about dispensing with the services of two full-time equivalents in the local content unit, which is very important. By the way, it does not mean that I am hell bent on the Government re-establishing the local content. What I want is some integrity in a decision from the Government that it will make this a discrete service function for business principally to assist it to get the maximum potential out of our resources. At the end of the day, if we do not do this properly, not only will the construction take place offshore, but also the labour will have to come from offshore. The benefits to this State are enormous if it is carried out properly and there will be significant political pain for the Government of the day if it is not.

Hon M.J. Criddle: The whole business, whether it be exporting from the mine or the farm right through the system to get it as efficient as possible, is also a great benefit.

Hon JOHN HALDEN: The minister and I will not have an argument about that. I agree with him and I understand that there are significant hurdles in all of it.

Hon E.R.J. Dermer: Not to mention the labour consumption capacity that will be lost if that money goes offshore.

Hon JOHN HALDEN: Exactly. That is a very good point and I thank Hon Ed Dermer for it and I hope it is recorded in *Hansard*. In my view this is a very crucial issue that we must address. I guess every member in this place knows that I can get up and yell and scream about this matter. However, this is not the time for a yelling and screaming speech. It is the time to talk to the minister in a reasonable way to tell him that he is making some incorrect decisions. If he is not, he can come back to me and we will talk about that.

I have the Government's draft proposal, the new DRD structure information kit, and I am happy to table it if that is what members want. However, the focus of what I am talking about tonight is lost in that proposal. Whatever the financial problems in that department may be - and I can only speculate because I do not know - we need to have more resources and skills in this area, not basically none. We need to have this unit as a clear function of government. The amazing thing about this issue is that it does not matter whether I talk to employer groups or employee groups, they all want the same outcome. At this time it seems to me that the problem lies - I do not mean to be political - in government in its generic sense. That problem must be turned around.

I could outline a number of projects in which there has been support for this unit in terms of local content, but I do not think that to read into *Hansard* a list of its successes is necessarily appropriate or warranted. That list is available within the department and can be assessed, and people can make their own judgments on that matter. I hope the Government - and the Government may see this appear in the paper not tomorrow but the day after - will look at this matter in the spirit in which I raise it.

Hon E.R.J. Dermer: A very constructive spirit.

Hon M.J. Criddle: The thought of a constructive suggestion is always positive. Over the past 12 months since I have been in this job, I have become used to receiving quite a lot of criticism for even trying to do constructive things, so I welcome the member's positive approach.

Hon JOHN HALDEN: I understand that, and I guess that from moment to moment I may be part of the minister's problem in life. This is an issue that we need to address.

Hon M.J. Criddle: I acknowledge that.

Hon JOHN HALDEN: I am not saying the minister does not. There are many benefits to this, and we need to get it right

both economically and politically; if we do not, we will all have a problem in a range of ways. All I can ask of the Government is that it talk to the major players and look at the enormous investment that I concede it has made in this sector in terms of training, retraining, up-skilling and infrastructure. The dollar value off the top of my head is not discernible, but it is hundreds of millions of dollars. We are almost at the point where this will be a significant growth industry in this State. It is now necessary to bring it to fruition. I am sure there is enough goodwill, and that we will get to the point where we can sort this out, but it will require a bit of rethinking and perhaps a bit of broader discussion, not just with me, but with the stakeholders in this area. At the end of the day, we are all committed to wanting this to work. This debate has given me the opportunity to raise this important matter, and I hope the Government will take it on board as a constructive, not critical, series of comments that are being made in the broader community that need to be aired so that this matter can be addressed. With those comments, I support the Bill.

HON E.R.J. DERMER (North Metropolitan) [9.54 pm]: I commence my deliberations by reflecting on the nature of a government budget in Australia. I recollect that when I was a child in my family home we were taught, led by the example of my mother, to take budgets very seriously. The first budget that I recall listening to was from the then Mr William McMahon, later Sir William McMahon. It was a matter of some gravity in our household to listen to the budget. We saw the budget as a serious commitment from the Government about what it intended to do with public resources and also an indication of what had occurred in the preceding financial year. My mother, May Dermer, is a woman of great understanding of the basics of budgets and finances. She ran a very tight and effective household budget, and had she been given greater educational opportunities when she was younger, she would have gone on to make a fine Auditor General or Finance Minister with the capacity to understand what is required in a budget.

I commenced my comments in this vein because I need to share with the House and with you, Mr Deputy President, the disappointment that I have experienced in my two and half years in this Chamber, because I have come to understand that budgets as they are presented by this Government in Western Australia are not the august document of the sort I used to hear explained by Sir William McMahon, not an august document to be taken seriously, and not an august document by which a Government makes its record, purposes and intentions clear. I have found it a very disappointing experience to understand how little substance there is in the budgets that are presented by this Government.

Tonight I will explore an important issue which illustrates by example how little faith we can have in the budget documents that are presented by the Court State Government in Western Australia. Members will recall that, last year, the State Government had the opportunity of presenting itself as taking the future of the State seriously by offering a \$100m program for the purchase of computers for schools. The Treasurer said in his budget speech in May 1998 that -

Our \$100m computer initiative will provide, in our public schools, one computer for every five secondary students and one for every ten primary students. This is amongst the best ratios in the world. The money for this initiative is available now through the state development fund. However, to ensure the most efficient utilisation of this technology, a phased introduction will be necessary.

I draw members' attention to last year's Education estimates committee hearings when we had a clear contradiction of the Treasurer by the Leader of the House in this Chamber when he said in answer to questions that the money was not available now. I have raised the point that we have yet to resolve who was misleading, and who was wrong and who was right, but the Leader of the House and the Treasurer could not both have been right at that time. It is interesting that the budget speech presented to this House last year by the Minister for Finance differed from that presented by the Treasurer in the Assembly in that the Minister for Finance did not refer to the money for that program being available now. That is an interesting difference and is a good reflection on the integrity of the Minister for Finance. I am sorry it reflects differently on the integrity of the Treasurer. One of the concerns of course is that any program that talks about great things that will happen in four school years' time - and \$100m certainly sounds like a nice, round, large sum of money - requires the tenacity of the public and members of Parliament who are their representatives to make a point of checking.

Hon Max Evans: My speech is made for noting the tabling of the budget papers in the Parliament. The Premier's speech in the other place is in the papers given to you. It does not replicate the second reading speech given last week on this Bill. There is a difference. If you take the trouble to read the booklet tabled on that day, you will find the Premier's full speech. I do not repeat it here, and you should be quite grateful for that.

Hon E.R.J. DERMER: I appreciate that, but when one reads in *Hansard* the Minister for Finance's presentation of the budget of 1998-99 and compares it with what the Treasurer said, it is certainly not the same. To the best of my recollection it is the same in all parts except for the Minister for Finance's deletion of that reference to the money being available now for the computers in schools program. Obviously everyone here is welcome to check the *Hansard* to be satisfied that I am right. It is important that we examine this promise. When we look at the *Budget Statements* for 1998-99, on page 344 one sees clearly -

The commitment of \$20.2 million in 1998-99 and a further \$60 million from 1999-2000 to 2000-2001 for the extension of the computers in schools program.

That is very plain. The word is "commitment". It is not "a worthwhile hope that we wish to achieve". When one goes on to examine the 1999-2000 *Budget Statements* that we received in May of this year, one sees a reference on page 386 to the computers in schools 1998-99 program. The estimated total cost is \$80m. The estimated expenditure to 30 June 1999 is \$20m, for 1998-99 it is \$20m and for 1999-2000 it is \$20m. The concern was that the budget papers that we received last year gave details extending into the financial year 2000-2001; that is, a commitment was made for the expenditure of \$60m across 1999-2000 and 2000-2001. When I looked at the budget papers we received this year for 1999-2000 and endeavoured to examine what the commitment would be in 2000-2001, I found no reference to it.

Hon Max Evans: We put out forward estimates to give an indication. You should get your mother to give you a few more lessons at the kitchen table. I could not get forward estimates out of the previous Government or the Federal Government. Forward estimates are only indications; they can and will change.

Hon E.R.J. DERMER: The indication the minister gave was out by the order of 33.3 per cent, which is not by any means an acceptable variation on a commitment. I will come to explain that if the minister listens.

The reference was very simple; it was a commitment. I hope I do not need to have to explain to the Minister for Finance or anybody else on that side of the Chamber what commitment means. It was \$60m to be expended on this program over those two financial years 1999-2000 and 2000-2001. This year's budget paper makes no reference to that funding in 2000-2001. There is one possible explanation. The idea might have been that the Government expend \$20m in 1999-2000. To cover the commitment for last year the Government will need to spend \$40m in 2000-2001. For that reason I asked in the estimates hearing what would be the expenditure on the computers in schools program in 2000-2001. The answer I was shocked to receive was \$20m with a further \$20m to be spent in the following financial year.

There is only one interpretation of the budget. This Government is backsliding on the commitment it made in last year's budget. This gets back to my original point: It is a matter of great personal disappointment to learn how little reliability and confidence I and any other members of the Western Australian public can have in the *Budget Statements* presented by the Court Government in this State. That which was a commitment has been lost. There is no other way of interpreting this. Last year the commitment was for the expenditure of the money over three financial years, but when one looks at this year's budget, the Government says that it will be over four financial years. There is no acknowledgment that the Government is backing down on a commitment. It tries to pretend that the program was originally intended to extend to 2001-2002 rather than 2000-2001.

It is very simple. When I raised the matter in the estimate hearings, the Leader of the House failed to understand this. In the *Hansard* report of this Chamber on 3 June I am reported as saying -

I note on page 386 of the *Budget Statements* that the estimated expenditure for this program for 1999-2000 is \$20m. What is the estimated expenditure for this program in 2000-2001?

Mr Mance, who is the Acting Director General of Education, said -

It is a four-year program at \$20m per annum.

Therefore, last year's program of \$80m expended over three years, which was very clearly in black and white in last year's budget papers, is a four-year program of \$20m per annum. At a later stage of my comments I will explain the gravity of the delay in the expenditure of that \$20m for a further year. I went on to make it clear that in last year's budget papers there was a clear commitment for \$60m to be spent over the two financial years 1999-2000 and 2000-2001. I asked -

Are you now telling me that the program is for \$20m a year, . . . which will be a total of \$40m?

Mr Mance answered, and then Mr Jarvis, who is the Education Department's Acting Executive Director, Business and Resource Management, answered -

That \$20m figure is just one particular computer program. There is a base school grant allocation of \$3m per annum which is recurrent; a school grant per capita increase which is \$6.5m over four years; the computers in schools initiative which is \$10.96m over four years; and the learning technologies in schools initiative, which is the \$80m over four years.

This answer was an attempt to obfuscate, to refer to other programs to hide the fact that this Government is backsliding on this most serious commitment to the school students of Western Australia and the future of all of us.

Those programs that Mr Jarvis referred to total approximately \$20.5m over four years. A reference is made to the computers in schools initiative being \$11m over four years. The term computers in schools was used to describe the program when it was announced last year as the allocation of funds of \$80m over three years. Clearly, Mr Jarvis was attempting to obfuscate with his comments. The total of the three programs that he referred to is \$20.5m over four years. Even if they were equivalent to the original commitment last year, they would not cover the \$20m over two years which has disappeared from the commitment made last year to the commitment made this year. The answer was given at that point in the estimates hearing and was in my view an endeavour to hide the facts. However, I was not to be deterred. I further said -

The facts are here in the budget for anyone to see. I seek simply to confirm that the computers in schools program expenditure for 1999-2000 will be \$20m and the programmed expenditure estimated at this stage for 2000-01 will also be \$20m. Is that a correct assumption?

I was endeavouring to compare like with like despite the obfuscation that I received earlier in the estimates hearing. At that point Mr Mance, the acting deputy director general, confirmed that what I was saying was correct. The program I referred to was the computers in schools program and he confirmed that I was correct in my interpretation that it would be spending only \$20m in 1999-2000 and \$20m in 2000-01. The reference to the computers in schools program in the 1998-99 budget statements states that \$60m will be spent from 1999-2000 to 2000-01. It is there in black and white and anyone can see the comparison. Last year's commitment of \$60m for those two financial years is this year's reduced commitment of \$40m, a deferral of expenditure of about \$20m for yet another year. I was then surprised to hear the comment of the Leader of the House, and I will again quote him from the estimates hearing *Hansard* as follows -

With respect, Mr Chairman, you have made an allegation that the information provided to you today is different from what was provided last year.

That is not an allegation; that is a matter of fact. I challenge the Leader of the House and any other member opposite to examine what has been said in the estimates hearing in response to my questions against the commitment given in last year's budget. There is no other way of interpreting it. It is not a matter of variation as the Minister for Finance suggests because the variation is a \$60m commitment over two financial years last year and a \$40m budget commitment this year. One does not lose a third of one's commitment on a minor variation. I invite every member of the House to check for themselves; it is there for everyone to see. Unfortunately, this was beyond the Leader of the House in the estimates hearings. The Leader of the House continued -

I do not necessarily agree but I do not know. Before you make those statements you should give us a chance to check what was said last year and to respond. My memory is that last year you got it wrong; you may have it wrong again this year.

I got it absolutely correct last year and my interpretation is absolutely correct again this year.

The estimates hearing was not the right place to continue that debate, but if the Leader of the House has any confidence in his own statements, it is up to him to return now to this Chamber and debate this very point. What I said is correct. The onus is on the Leader of the House to prove otherwise. He will not be able to because the documents are very clear. The Government hoped that no-one would notice; of course we have noticed. For the minister to suggest that that is not the case is absolutely wrong. It is akin in my view to when I heard Saddam Hussein say back in 1991 when the republican guard retreated towards Baghdad after the Gulf War, "People of Iraq, we have had a great victory." The Leader of the House demonstrates the arrogance of the Court Liberal Government by standing up and saying that it has not retreated from its commitment. Not only is it governing the State incorrectly and making commitments that it does not meet, but when it is caught backsliding from its commitments, it goes into denial which is contrary to the facts that are plain for anyone to see. The Leader of the House at the time of the estimates hearing asked me to be fair and give him a chance to respond before I made judgments. My judgment is very clear and based on fact. I am waiting for the Leader of the House to return to the Chamber and make the appropriate response. I note that he has not done so. In the face of the \$20m lost from this commitment over two financial years, over a third of the commitment is to be lost and the Government has pretended that that has not happened.

The next point I raise may seem relatively insignificant; however, in the 1998 budget statements, a \$20.2m commitment was made for the extension of the computers in schools program for the 1998-99 financial year. When I look at the budget statements for 1999-2000, I see that the estimated actual expenditure for 1998-99 was \$20m. The commitment of \$20.2m was made in last year's budget for the 1998-99 financial year and the estimated actual expenditure for that financial year in this year's budget is \$20m. This loss of money for this important program was not 33 per cent, but 1 per cent. However, I stress to the House that this 1 per cent lost from the commitment in the 1998-99 financial year is in addition to the 33 per cent that was deferred from the commitment for the following two financial years, 1999-2000 and 2000-01. I raised the matter in the estimates hearing. Mr McCaffrey, the director of finance, said the following in his contribution to the hearing as recorded by *Hansard* -

As 1998-99 transpired we spent all of the \$200 000 in the previous financial year and we got back to a clear \$20m commitment in these statements as they are shown today.

I wanted to confirm his comment and I asked -

Does this mean that the \$200 000 was spent in the 1997-98 financial year, rather than the 1998-99 financial year?

Mr McCaffrey replied -

Yes. That is my understanding.

The budget statement for 1999-2000 has a further column to which I referred earlier detailing estimated expenditure up to 30 June 1999 and it includes an allocation for the computers in schools program of \$20m. Of course, the estimated expenditure up to 30 June 1999 would have included any money expended in the 1997-98 financial year. However, there is no reference to the \$200 000. Reference to the budget papers demonstrates a backsliding on this very important program of \$200 000 of expenditure in the 1998-99 financial year and \$20m less committed expenditure for 1999-2000 and 2000-01.

These are matters of great importance not only because of the significant amounts involved and the hope given to the people of Western Australia last year by the Premier that has now been insidiously withdrawn by the deferral of this important expenditure, but also because it is very important to all state school students.

This morning the Minister for Services had occasion to address a function on the evolution of electronic commerce. Electronic commerce is the exchange of commercial dealings by electronic means or the integration of information technology and communications. Put in its most simple terms, electronic commerce is the offer and acceptance of contracts by electronic rather than written documentation exchange. This is a very efficient way of conducting commerce. It is a method that gives much greater market knowledge to all participants in the economy. As articulately expressed by the minister this morning, the inevitable fact is that in the short term, electronic commerce will become the medium for all commerce. If that is so, it will become the medium of the vast proportion of jobs in the labour market.

Hon Max Evans: How do people with black money handle this?

Hon E.R.J. DERMER: Sadly, they are often a damned sight more organised and ahead of technology than the Western Australian Government.

The significance of what I have said is that every day a greater proportion of the total number of jobs available in the labour market depends on not only electronic or information technology skills, but also understanding of information technology. When today's students graduate from school and enter the job market, their capacity to compete in the employment market will depend to a large and ever-increasing degree on their skill in and understanding of information technology.

Reaching the rudimentary target of one computer for every five high school students and one computer for every 10 primary school students is not something nice to do when we get around to it, or something we can put it off until July 2002 and pretend we did not. This Government must understand that providing appropriate information technology education in schools is a matter of urgency.

We must take responsibility for the future. That reminds me of the household analogy and the family budget. Families often invest a large proportion of their resources in the future of their children. This Government should take responsibility for and invest its resources in the future of our children. It should not defer that urgent and essential expenditure on IT education in our schools.

We are looking at a new way of doing commerce, a new employment market and a new form of literacy. I am not suggesting that the old literacy is not of vital importance. However, the understanding of information technology is an additional and essential literacy skill required of anyone wishing to compete in the employment market.

At one stage the major parties in Australian politics shared a fundamental principle, but I am sad to say that the Liberal Party has lost touch with that principle. That is demonstrated by its actions. It is a principle we in the Labor Party still adhere to and it is our reason for being. I will not be so naive as to argue a case for real equality of opportunity. We should argue for and defend the principle that all children should have the opportunity to place themselves so they can survive and compete in an employment market that will demand appropriate information technology education.

I read an article in *The West Australian* recently expressing concern for students at a prominent private school in Western Australia. The students and parents were concerned that the laptop computer on the book list was heavy and that it might not be good for their skeletal development. The article is interesting not only because of that concern but also because it indicates that students in the wealthy private schools are required to have a laptop computer. The laptop computer is alongside the ruler, the pencil and the pen. That enables those students to integrate information technology into every part of their education. I wish them well; that will be an enormous advantage to them when they graduate from school and other studies and enter the employment market, which is increasingly dependent on information technology skills. I am pleased to see them getting that education.

However, I am concerned for the many students in the government system who were told last year that in four years the Government would provide one computer for every 10 students. It was explained that three financial years amounted to four academic years. We have advanced another year, and the target is still four academic years away. As we advance, the target gets further away and progress is not being made. This is not a matter to be taken lightly. It will be four years before we reach the target. That represents four cohorts of students who will graduate from our system without the advantage of that equipment.

Those four cohorts will enter an employment market that depends on information technology skills and understanding. It is extremely difficult for them to compete with the students from the wealthy private schools. This brings me back to the basic principle. I referred earlier to the history of the Liberal Party. I recall the efforts of Sir Robert Gordon Menzies to open up a wider tertiary education system. That is to be commended. The sad thing about Australian politics is that the emphasis on educational opportunity, which used to be a bipartisan objective for the Liberal and Labor Parties, has been abandoned by the Liberal Party, as illustrated by its lack of understanding of the urgency of the appropriate information technology education.

That negligence is compounded by the fact that although the coalition presented the program last year in its budget, anyone who took the trouble to read the budget papers would see that it is a commitment from which it is backsliding and which it is not living up to this year. The need to give people hope and opportunity to advance themselves - that principle that used to be bipartisan, but which is now the preserve of this side of politics - is neglected by this Government. It tries to obfuscate and change the titles of its programs and create confusion about what is a financial year and what is an academic year. However, when we examine exactly what is written in last year's budget statements, we can see that it is backsliding, withdrawing and retreating from that commitment.

Hon Max Evans: The Education Department should have a financial year from January to December, it should not be from July to June, but I cannot get that changed.

Hon E.R.J. DERMER: The Minister for Finance should be able to make that adjustment. Last year's commitment was inadequate and this year's commitment is being reduced. We must be vigilant next year to ensure that there is not a further withdrawal of commitment of this very important resource which is important not only to the students who require the IT education to give them a fair go in the labour market, but also to the future of the State.

On many occasions I have spoken to participants in the information technology industry in Western Australia. The one recurrent theme brought to my attention time and again is that the information technology industry in this State - I understand it is a similar concern throughout the Commonwealth of Australia - is concerned about the desperate shortage of IT-skilled prospective employees. We are confronting a crying shame when the industry is desperate for the staff to help contribute

to the growth of this important industry, which is the new medium for commerce and on which all industry in Western Australia will depend, because the Government is failing to make an appropriate commitment to IT education.

I draw the attention of the Minister for Finance to the fact that expenditure on IT education is not expenditure on a recurrent item from which there will be no return. It is an investment; it is simple. Obviously there will be some exceptions, but essentially all commerce will evolve to be electronic commerce. It needs the staff who have not only the skills but also an understanding of information technology. They are crying out to employ educated Western Australians with the necessary understanding of and skills in information technology. In the meantime, the vast majority of students enrolled at government schools in Western Australia are being neglected by a State Government that makes an inadequate commitment to expenditure on IT education. It wraps it up to look like something it is not. In the first year of its three-year program announced last year, there was evidence of its backsliding to the tune of 33 per cent and of its deferral of expenditure of an essential \$20m. Yet another year's cohort of Western Australian government school graduates will miss out on having the appropriate target ratio of computers per school, which is essential to their IT education.

Education is always an investment in the wellbeing of the State. Money spent on information technology education is a direct investment to the financial good of this State. Currently the State's taxes are essentially business taxes. When the economy grows the tax revenue to the State grows. That is a simple equation. With the replacement of many of those taxes by the goods and services tax - if we are unfortunate enough to have the Senate pass it, which now seems likely - the revenue from the GST will be directly proportional to the size of the economy. The State's revenue in the near term will grow as the economy grows.

Information technology is rapidly evolving as the most important single factor in determining economic growth. In Western Australia other factors are important, but as a common universal factor as electronic commerce evolves and as commerce becomes more electronic, whether we understand electronic commerce and have it in place correctly in this State will be enormously important as the determining factor in our future economic growth. Quite directly, money invested in educating Western Australian school students in information technology which therefore improves the supply of information technology skilled available staff for Western Australian industry and commerce will in turn provide for greater economic growth in Western Australia. That will in turn provide a higher tax revenue for a State Government. In this direct sense, an investment and an appropriate commitment to information technology education will be returned to this State Government - although in the near future we will have a different State Government. The State will receive a direct return from revenue from appropriate investment in information technology. If we do not have the investment in information technology education, that will be a constraint on the growth of the economy of the State. It is a simple, logical sequence that points out that we need to invest that money.

The industry is crying out for skilled staff. We need to invest appropriately to provide the skilled staff by education in our school system. That in turn will provide for a greater economy and a greater tax base for the State Government. If we do not do so we will see a contracting economy, a constrained economy and a diminished tax base for the State Government. Without reference to the social importance of providing information technology education, in a direct sense of the future revenue of the State, it is essential that the Government make a serious commitment to information technology education and make that commitment immediately.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [10.39 pm]: The appropriations debate provides yet again this year an opportunity for the Opposition to raise a number of issues of interest in this budget and in the overall operations of the State Government and those developments that would reveal some situations of real concern to the Labor Opposition. I have taken the opportunity in preparation of my comments on the Appropriation (Consolidated Fund) Bill (No 1) to review issues which crossed my desk in the portfolios for which I have shadow responsibility, and those which crossed my electorate office desk. I have seen a range of concerns flowing from the Government's decisions, not the least of which are budget related. However, some initiatives within the budget are supported by the Opposition. I guess it is not normal for the Opposition in any Parliament to spend too much time singing the praises of government initiatives. I do not want to depart too much from that tradition. Nevertheless, some initiatives deserve expressions of support. Other budgetary initiatives deserve suspended judgment; that is, to sit, watch and wait to see how those initiatives develop, expressing neither support nor opposition. The Government has embarked on some strategies in the budgetary process upon which the jury should remain out to see how they develop.

I start with some examples of how the appropriation process of any Government can make a helluva difference to the community and to community projects. Sometimes that is by the most minute of programs through little funding, but which are terribly important to local communities. It is odd in response to an appropriation Bill to start at the small end. Part of the process of making community life attractive in Western Australia, both in the metropolitan area, in the city of Perth and its associated urban sprawl, and in the regional areas, is to help localities, suburbs and towns develop a focus on their story; that is, on how they were established and have evolved in the firmament of constellations of populations which comprise the State of Western Australia.

A little earlier this evening I was telling my good friend and deputy, Hon Nick Griffiths, how pleased I was that I had been successful in an approach that I made earlier today to the Minister for the Arts when I asked him, "By any chance, would there happen to be a program that would assist one of the communities in my electorate that wants to construct a sculpture in the main street of the town?"

Hon N.D. Griffiths: Are you referring to the bloke with two broken arms?

Hon TOM STEPHENS: No, it was not like that at all. The Minister for the Arts very quickly said, "Yes, I have just such a program and, yes, it is a program that could be well and truly targeted for the project about which you speak." I have been

very keen to provide support to the community in Broome. The new shire president in that town, Councillor Kevin Fong, is president of the Shinju Matsuri Festival for 1999. He and his committee are very keen to locate in Carnarvon Street, the main street of Chinatown, an additional sculpture to join the set of sculptures there that are associated with a monument to the founders of the pearling industry. Many people associated with the community of Broome have regularly seen in those sculptures the fact that they tell part of the story that is clearly of interest to visitors to that town and of considerable pride to the community itself.

However, the sculptures do not tell the whole story. The sculptures are of the founding business leaders of the community - Mr Kuribayashi, Mr Male and Mr Dureau. They were the business leaders of the pearling industry who were associated with establishing that industry and taking it in new directions, particularly with the emergence of the cultured pearl and the use of that cultured pearl to strengthen the role of the industry and the economy of the State. Some people have recognised that the sculptures are part of the story of the pearling industry but that there is also another part; that is, the workers who were associated with that industry from its earliest times, the work force that slaved and toiled in the early days, under enormous difficulties, facing great peril to their lives and health as they contributed to the construction of an industry in the north west of this State. With the vision of expressing that involvement of the work force in the streetscape of Chinatown, the shire president, Councillor Kevin Fong, wants to see a sculpture which captures that connection. He argued the case, firstly with his committee and then more widely in the community and beyond, for a hard-hat pearl-diving sculpture that would show that there were workers who helped these industrialists build the industry that has become so important to the town, the region, the State and now the nation. This year's Shinju Matsuri committee has commissioned the construction of a sculpture that it is hoped will be located in the town later this year. However, the challenge for any community, even one as bustling with economic activity as is Broome, is to find the funds for a project like that. It has commissioned Perth sculptors Joan and Charles Smith to produce that work. Those artists have been associated with the statues to be found in Burswood Park, which may be known to many members.

Hon B.M. Scott: They are very good.

Hon TOM STEPHENS: They are interesting works. They range in their appeal to me, but some interesting depictions of life are on display in that park from those artisans, and there is the opportunity to deliver onto the streets of Broome something that will successfully connect the people of Broome to the people who are associated with the work force that helped to build this important industry. That work force was, as we all know, typically of mixed racial origin, originally with many Kupangs from Timor and people from other parts of what is now called Indonesia. There were also Filipino families, people like the Sibosados, the Torres and the Puertollanos, and many of their descendants who worked throughout the years through to the present. There were Japanese families like the Hamaguchis, who are still involved in the pearling industry in Broome. There were also Chinese participants in the industry and other people from Asia like the Ellies and the Fongs. There were many other people from countries around our part of the world in South-East Asia who contributed to that industry over an extended period of some 100 years. Many non-Europeans and also Europeans were involved in the industry as part of that work force, and large numbers of Aboriginal people were involved in the earliest phases of the industry. The mixed-race peoples, of both Aboriginal and Asian racial lines, also came together and produced progeny who participated in that industry over the decades.

A sculpture that marks the contribution of that work force as it had the opportunity to move into the hard-hat era that was of such great importance to the health of those workers will be an important part of the history of that industry, an industry that is still connected so vitally to the life of the town and to the lives of so many people within the town. I was pleased that the Minister for the Arts had the foresight to make available some limited funds to assist that project, and since speaking to him I have made sure that information is at the disposal of the Broome Shire Council, having emailed to the shire president and the chief executive officer information that funds are available to assist that community to build this piece of sculptural excellence that will commemorate this work force.

For me that does demonstrate in some small way that there is some recognition of the principle that our State is not simply an economy that is sorted out by putting in place budgets that are essentially about numbers and dollars and are devoid of the need to get a real rationale behind those numbers and dollars.

Communities that are left soulless and devoid of heart and history are unable to function adequately for the good of their residents and the participants in the life of those localities. Localities are simply that. Localities, which can be simply suburbs, towns or cities, are not communities of people unless effort is put into celebrating the community and celebrating the life that goes on within those areas of the State. To do that requires effort and sometimes that effort requires dollars and sometimes those dollars are merely small contributions such as those that are apparently available through a small program such as this. However, to build that story for a community and to help the community celebrate that story in history is part of the process of making sure that it is a vibrant community which is connected to an understanding of its past and which embraces those people who are part of its history by stating that they are people whose story is important not merely to the past but to the present and the future of the town.

I wish to build my contribution to the appropriation debate upon this little program. I see in it the type of budget process that should be very much the hallmark of an enlightened Government in this State, although not the only feature of the budgetary process by any means. We must recognise that although we can get all the figures balanced, draw up budgets in a way that simply produces correct numbers, additions and sums, gets deficits and borrowings down and overall economic indicators right, if in the process one has not supported the building of that sense of community and the opportunity for the community to survive, we as a State are the poorer for it and are placed at risk by that budgetary process. Damage is done to the social fabric of Western Australia that eventually will start to cost the community in ways that will in turn make it all the more difficult for economic activity to be carried on in this State.

As I thought about this story that I was preparing to tell tonight I was reminded of the comments of one captain of industry who was speaking to me recently, who said that the process of getting budgets right by Governments is so important to industry in creating the opportunity for keeping the balance right in society. We do not want to get to the situation where, through budgetary processes, we compound our problems by creating an underclass or section of the community which had a sense of economic grievance, of disadvantage and of falling onto the economic scrapheap. This starts to build a cost for participants in and beneficiaries of industry that starts to hurt them economically in many ways. Those sections of the community are not prospering, nor becoming partners with industry's growth nor customers of that industry, but are becoming the people who cause security problems for the industry and even become the vandals around industrial sites.

Debate adjourned, pursuant to standing orders.

WATER SERVICES COORDINATION AMENDMENT BILL 1999

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Max Evans (Minister for Finance), read a first time.

Second Reading

HON MAX EVANS (North Metropolitan - Minister for Finance) [11.01 pm]: I move -

That the Bill be now read a second time.

The Water Services Coordination Amendment Bill 1999 provides for the establishment of the Plumber Licensing Board and the shifting of responsibility for the licensing of plumbers from the Water Corporation to a board with licensing, inspectorial, customer complaint and advisory responsibilities. The proposed board will be responsible for all occupational licensing decisions for plumbers operating in Western Australia, including interstate and internationally trained plumbers seeking registration and licensing in order to operate in this State.

In 1995 the water industry in Western Australia was restructured in response to the national competition policy which required that service provision and the regulatory functions of Government be separated. Previously all aspects of water service provision and regulation were administered by the old Water Authority. The restructure of the water industry resulted in the separation of the Water Authority into two entities - the Water Corporation and the Water and Rivers Commission - and the establishment of a new entity, the Office of Water Regulation under the Water Services Coordination Act 1995.

The Water Services Coordination Amendment Bill 1999 proposes the establishment of a board with functions related to the licensing of plumbers and with regulation-making powers in respect of performance of plumbing work. To ensure the board remains publicly accountable, the Minister for Water Resources will have the power to give directions to the board and to access information in possession of the board. Furthermore, the activities of the board will be regarded as services under the control of the Office of Water Regulation in relation to the application of the Financial Administration and Audit Act 1985. The main role of the board will be to administer and approve applications for licensing and registration of journeymen and licensed plumbers and drainers. The board will make recommendations to the minister on standards of plumbing work, competency requirements and any changes required to those standards or requirements. The board will also have a role in investigating complaints from licensed service providers and customers-purchasers of plumbing services. The board, by way of regulatory powers, will have the ability to undertake disciplinary hearings, impose fines and suspend or cancel licences in the event of noncompliance with by-laws or regulatory requirements. Although not a primary role, it is expected that the board will, when possible, undertake a community education role to publicly promote the benefits of employing suitably qualified plumbers.

The minister will appoint all members of the board from nominations by sectorial groups and public advertising. The board will be made up of nine members and the chairperson will be appointed by the Minister for Water Resources from the membership. It is anticipated that the board will meet monthly and will be paid sitting fees in accordance with the reimbursement levels recommended by the Department of Premier and Cabinet. The proposed board members are as follows -

Two licensed plumbers nominated by the Master Plumbers' and Mechanical Services Association to represent their country and metropolitan members.

Two licensed plumbers nominated by the Minister for Water Resources to represent independent (non-MPMSA or union) country and metropolitan plumbers. One of these will be a country plumber.

One licensed or registered plumber nominated by the Communications, Electrical and Plumbing Union, Plumbing Division.

One member nominated by the Minister for Training to represent training interests.

One member nominated by the Minister for Fair Trading to represent consumer interests.

One licensed drainer nominated by the WA Drainers Association.

One representative of the Office of Water Regulation, nominated by the Coordinator of Water Services.

It is intended that the board will be funded by the industry with no net cost to Government. A small office of approximately five staff will be required to perform the board's role and it is estimated that a budget of \$590 000 will be required in year one - 1999-2000.

It is estimated that revenue of \$600 000 per annum will be raised from the plumbing industry through charging a \$200 fee to licensed plumbers, a \$75 fee to registered plumbers and a \$150 fee to restricted licensed plumbers. Currently, both licensed plumbers and plumbers with restricted licences pay \$103 per annum and there is no charge for registered plumbers.

Despite a general trend to deregulation across a number of industries, it is generally agreed that the plumbing industry should remain subject to registration and licensing requirements.

Plumber registration and licensing is recognised as one of the elements necessary to ensure the protection of public health and safety of the community in the delivery of essential waste disposal and water service systems. Without appropriate regulation of the use of suitably qualified plumbers, there is a recognised risk of poor installation of sanitary and drainage systems with the associated risk of contamination of country water supplies and ineffective sewage waste disposal.

Licensing and regulation regimes acknowledge the specialised knowledge required in installing sanitary and plumbing systems which not only are appropriate for the needs of the consumer, but also protect the infrastructure upon which the water industry is based. In Western Australia, the value of these infrastructure assets is very significant and is estimated to be approximately \$8b in value. Establishing an independent Plumber Licensing Board will ensure that plumbers will have a very real opportunity to participate in matters affecting their industry, including the development of training courses and recognition of qualifications.

Customers will be able to contact the board directly to ascertain that the plumber they propose to contract is appropriately qualified and currently licensed. Consumers who are dissatisfied will be able to register a complaint with the board and the board will ensure that all complaints are investigated and appropriate disciplinary action is taken where necessary. It is important to point out, however, that the board will not become involved in contractual disputes between customers and contractors. Plumber licensing will be undertaken by a board largely made up of members or stakeholders of the industry. The collective knowledge of the board will ensure that high standards of plumbing work are maintained within the industry.

As part of the development of this Bill, an extensive program of public and industry consultation was undertaken by the Office of Water Regulation. Copies of the discussion paper previously tabled in Parliament, titled "Proposal to Establish an Independent Plumber Licensing Board" were distributed to all licensed plumbers, the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union, local governments, relevant government agencies, industry associations and others. In addition, five public forums were held in the metropolitan area and major regional centres.

Overall there was strong support for the establishment of the Plumber Licensing Board from plumbers and consumers who provided comment. There are also very sound public-benefit arguments for the establishment of the board in order to protect not only the infrastructure within the State, but also the industry and consumers. I therefore commend the Water Services Coordination Amendment Bill 1999 to the House.

Debate adjourned, on motion by Hon Bob Thomas.

House adjourned at 11.07 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

COMMITTEES AND BOARDS, FINANCIAL BENEFITS FOR MEMBERS

674. Hon KEN TRAVERS to the Leader of the House representing the Premier:

- (1) Do the following members of Government boards and committees receive any other income or benefits in addition to their salaries for their services on these boards-
 - (a) Mr Richard Lewis, Chairperson, East Perth Redevelopment Authority; and Director, Western Power Corporation;
 - (b) Mr Barry MacKinnon, Chairperson, Disability Services Commission Board; Chairperson, Western Australian Fire Brigades Board;
 - (c) Mr Peter Jones, Chairman, Board of Directors, Water Corporation; and Chairman, Steering Committee for Policy/Justice core Functions Project;
 - (d) Mr Ian Warner, Director, Western Power Corporation; and Member, Public Trust Advisory Board;
 - (e) Mr Ian Laurance, Chairman, WA Sports Centre Trust; and
 - (f) Mr Lloyd Stewart, Chairman, WA Lotteries Commission?
- (2) If yes, can the Premier state the value and nature of any additional financial benefits?
- (3) Do the above appointees receive any other fees, expenses or reimbursements for any other work carried out for or on behalf of the Government?

Hon N.F. MOORE replied:

(1)-(2) Benefits paid, as at 31 March 1999, in addition to fees or salaries are as follows:

- (a) Mr Richard Lewis -
East Perth Redevelopment Authority has met employer superannuation liability of \$1680 in this financial year.
Western Power has paid the same amount in this financial year.
- (b) Mr Barry MacKinnon - nil
- (c) Mr Peter Jones -
the Water Corporation paid Mr Jones \$514.94 in 1996 for private vehicle usage when required to travel in the country.
Steering Committee for Justice Core Functions Project - nil.
- (d) Mr Ian Warner -
Western Power Corporation has met employer superannuation liability to the value of \$2,138 in this financial year.
The Public Trust Advisory Board - nil.
- (e) Mr Ian Laurance - nil
- (f) Mr Lloyd Stewart -
the WA Lotteries Commission provides a car to the value of \$14,500 per annum and mobile phone. The car has been provided to the holder of this position since the mid 1980s.

Note: Should a member of a government board or committee be required to travel in connection with the business of that board or committee, travel and accommodation expenses would normally be met. Reimbursement for 'out of pocket' expenses would also apply.

(3) The following applies as at 31 March, 1999.

- (a) I refer the honourable member to Parliamentary Question 173 in relation to Mr Richard Lewis, and advise that the situation has not changed.
- (b) Mr Barry MacKinnon is not engaged in work for or on behalf of the Government. I refer the honourable member to Parliamentary Question 167 for details of past work.
- (c) I refer the honourable member to Parliamentary Question 171 and 172 in relation to Mr Peter Jones, and advise that the situation has not changed.
- (d) Mr Ian Warner - I refer the honourable member to Parliamentary Question 176, and advise that the situation has not changed.

- (e) Mr Ian Laurance is Chairman of the Gascoyne-Murchison Strategy Implementation Group for which he receives \$18,000 per annum.
- (f) Mr Lloyd Stewart is a member of the Gaming Commission with fees of \$6,600 pa. He is also a member of the State Government Soccer Task Force for which he receives no remuneration.

PARKS AND RESERVES, UPKEEP AND MANAGEMENT EXPENDITURE

1188. Hon J.A. SCOTT to the Minister for Finance representing the Minister for the Environment:

For each national park or conservation reserve where entrance fees are charged will the Minister for the Environment provide the details of the amount of money spent on upkeep/management for each year from 1993?

The answer was tabled. [See paper No 1155.]

ELLE MACPHERSON ADVERTISEMENTS, MEETINGS IN NEW YORK

1457. Hon KEN TRAVERS to the Minister for Tourism:

In relation to a meeting between a senior officer from the Crown Solicitor's office, Grant Donaldson, and Elle Macpherson's lawyers in New York between February 9 and 13, 1997 -

- (1) Can the Minister confirm that these meetings were an attempt by the WATC to resolve issues which may have seen Elle refusing to visit Western Australia to film television commercials?
- (2) Did Mr Donaldson keep any written records of these meetings?
- (3) Were details of Mr Donaldson's trip recorded in the quarterly Travel Report tabled by the Premier?
- (4) If not, why not?

Hon N.F. MOORE replied:

- (1) At the time there were issues outstanding between the Western Australian Tourism Commission, Elle Racing Pty Ltd and Ms Macpherson and these meetings were directed to resolve these issues.
- (2) Notes were kept which relate to the period in New York from 9-13 February 1997.
- (3) No.
- (4) There was a misunderstanding between the Crown Solicitor's Office (CSO) and the WATC as to who would table Mr Donaldson's travel. It has subsequently been determined that the WATC ought to have tabled the travel and this will be corrected in the next return.

MR MICHAEL MURPHY

1510. Hon N.D. GRIFFITHS to the Leader of the House representing the Premier:

- (1) Has the Premier read written communications addressed to him dated March 11, 1999 and March 4, 1999 from Mr Michael Murphy on behalf of "The Murphy Interest"?
- (2) What has the Premier done as a result of the receipt of the communications?
- (3) What is the Premier doing as a result of the receipt of the communications?
- (4) What does the Premier intend to do as a result of the receipt of the communications?

Hon N.F. MOORE replied:

- (1) Yes.
- (2)-(4) The letters follow previous correspondence from Mr Michael Murphy on behalf of "The Murphy Interest" which indicates that action may be taken against the State of Western Australia and others. If and when such action is instituted it will be defended vigorously.

PORTS AND HARBOURS, RATE EQUIVALENTS

1590. Hon TOM STEPHENS to the Minister for Finance representing the Treasurer:

- (1) Will the Treasurer ensure that the rate equivalents soon to be paid by regional port authorities into Treasury will be returned immediately by the State Government to the local government authority in which each of the ports operates?
- (2) If not, why not?
- (3) Will the Treasurer table the anticipated cash value in 1999/2000 of the rate equivalents in each of the following ports -
 - (a) Esperance;
 - (b) Albany;
 - (c) Geraldton; and
 - (d) the Kimberley ports?

Hon MAX EVANS replied:

- (1)-(2) Tax and rate equivalents go some way towards ensuring that government trading enterprises (GTEs) do not enjoy any cost advantages over businesses in the private sector purely as a result of their public ownership. Under the current arrangements, each level of government generally retains tax and rate equivalent payments made by its business enterprises. State GTEs pay tax equivalents for local and Commonwealth Government taxes to the State Government. Similarly, local and many Commonwealth Government business enterprises are not required to pay State taxes, or their equivalents, to the State Government. The arrangement by which these tax equivalent payments are retained by the respective 'owners' ensures that efforts to encourage more commercial behaviour by government businesses are not inhibited by any level of government suffering a loss in revenues as a direct result of competition reforms. There have been some discussions between the Commonwealth and the States about moving to fuller tax reciprocity between the two levels of government. Consideration has also been given to extending the principles of reciprocity to local government. However, all these changes will need to be considered in the context of the broader issues of national tax reform and the reform of Commonwealth-State financial relations. Revenue neutrality is fundamental to any move towards tax reciprocity.
- (3) Estimated rate equivalent payments are based on the gross rental value (GRV), and in some cases the unimproved value (UV), of land held by the port authorities and the applicable local government rate. The Valuer General's Office (VGO) provides estimates of the GRV and UV of port land and applicable rate equivalents to Treasury. However, these figures may be discounted to reflect the self-provision of certain infrastructure and services by the ports that would ordinarily be provided by local government (as with Fremantle Port Authority). It should also be noted that payment of rate equivalents by port authorities in 1999/2000 is subject to the Port Authorities Bill receiving royal assent by 30 June 1999. For this reason, no estimates of rate equivalent payments from the port authorities were included in the budget papers. Indicative rate equivalent amounts, based on the VGO's valuations, which may be paid if the Bill receives assent by 30 June 1999, are as follows:
- (a) Esperance Port Authority - \$70,000;
 - (b) Albany Port Authority - \$79,100;
 - (c) Geraldton Port Authority - \$181,500; and
 - (d) the Kimberley Ports: Broome (expected to become a port authority once new Act is in place) - \$6,200;
- Other: Bunbury Port Authority - \$178,100;
 Dampier Port Authority - \$101,500;
 Fremantle Port Authority - \$366,900 (subsequently reduced to \$238,500); and
 Port Hedland Port Authority - \$139,600.

STATE FINANCE, DEBT INCREASE

1647. Hon JOHN HALDEN to the Minister for Finance representing the Treasurer:

I refer to the growth of \$509m in general government net debt from 1998/99 to 1999/2000 as shown on page 226 of the Economic and Fiscal Overview of the Budget Papers. Given that capital outlays are only expected to increase by \$156.9m, can the Treasurer explain the reasons for the remainder of the increase in net debt?

Hon MAX EVANS replied:

It is not possible to directly measure changes in net debt by isolating capital outlays only. Changes in funding sources and financial assets are the direct cause of movements in net debt. That said, the Government has made a conscious decision to redirect part of its recurrent surpluses from funding capital works to increasing service delivery in priority areas of health, education and training, and law and order. These three areas have experienced funding increases for 1999/2000 of \$153 million, \$185 million and \$62 million respectively over their allocation in last year's budget.

The reduced recurrent surplus has also coincided with an increase in the deficit on capital transactions. Significant in this regard has been new borrowing by Main Roads and the Department of Transport for their capital works programs. The Main Roads borrowings are consistent with the TransformWA initiative and are planned to be repaid over a ten year period. The capital deficit position is at a record high reflected the large infrastructure program in place. The associated increase in net debt is more than fully explained by the capital deficit.

CITY OF ARMADALE, STATION PRECINCT MASTER PLAN

1665. Hon N.D. GRIFFITHS to the Attorney General representing the Minister for Planning:

What is the Government's position with respect to the City of Armadale's Station Precinct Master Plan?

Hon PETER FOSS replied:

The Government, through the Western Australian Planning Commission, is supporting the City of Armadale in an examination of the Armadale Station precinct and how it relates to the role and function of the adjacent Strategic Regional Centre. Preliminary work has been undertaken by the Ministry for Planning to progress this examination, which has been reported to City of Armadale representatives. A final report, to be presented for consideration by elected council members in the near future, is under preparation.

MOORA COLLEGE OF TAFE, CONSTRUCTION

1687. Hon KIM CHANCE to the Leader of the House representing the Minister for Employment and Training:

I refer to the mooted construction of the Moora TAFE and ask -

- (1) Can the Minister for Employment and Training provide an assurance that the construction of the proposed TAFE will be expedited so that the Moora community can hope to regain confidence after the impact of the floods?
- (2) When does the Minister expect that construction of the proposed Moora TAFE will commence?
- (3) When does the Minister expect that construction of the proposed Moora TAFE will be completed?

Hon N.F. MOORE replied:

- (1) Yes.
- (2)-(3) Subject to engineering studies and budget considerations, construction is scheduled to commence in December 1999 and be completed in September 2000.

QUESTIONS WITHOUT NOTICE

NATIVE TITLE ACT, EXPLORATION LICENCE DELAYS

1367. Hon TOM STEPHENS to the Minister for Mines:

I refer to the initiative taken by several large mining companies and the Kimberley Land Council to enter into a memorandum of understanding to avoid delays involved in waiting for the Government to advise of its intention to grant exploration licences under the Native Title Act.

- (1) Does the minister support this outcome?
- (2) In light of the positive result achieved in this instance, does the minister agree that the Government should make every effort to facilitate such agreements and partnerships?
- (3) If yes, which other protocols is the Government currently helping to develop?
- (4) Why is the Government not taking a similar approach to the drafting of the native title state provisions Bill?

Hon N.F. MOORE replied:

- (1)-(4) I do not know the details of this agreement. In view of that lack of knowledge, I do not propose to say whether I think it is a good agreement or not. I am aware of some other agreements that have been made by mining companies in respect of other Aboriginal groups. I know that many millions of dollars are involved. I am not sure whether I agree with them either. Until such time as I am told - if I am ever going to be told - the details of this agreement, I do not propose to give any opinion about whether it is a good agreement or not.

I happen to be aware of another agreement made recently, and also of the number of dollars involved. I am also advised that I am not supposed to know how many dollars are involved, so I cannot verify it. The point I am trying to make is that some deals are being made. People are entitled to make deals with their own money, but whether I support it or agree with it is another matter entirely.

COMMISSIONER OF POLICE, ELIGIBILITY TO HOLD OFFICE

1368. Hon TOM STEPHENS to the Attorney General:

- (1) Was the Attorney General consulted on the eligibility of the new Commissioner of Police to occupy that office?
- (2) In particular, was the Attorney General's advice sought with respect to whether the commissioner was a permanent resident of Australia?
- (3) Did the Attorney General provide to the Minister for Police a supportive opinion that was used by the Minister for Police to explain whether the commissioner qualifies as a permanent resident of Australia?
- (4) Does that have the effect that approximately four million residents of New Zealand are currently permanent residents of Australia?

The PRESIDENT: The last part of the question seeks a legal opinion.

Hon PETER FOSS replied:

- (1)-(4) Is the Leader of the Opposition asking me in my personal capacity or that of my ministry? He may be asking whether somebody on my behalf in the ministry, particularly through the Crown Solicitor, has provided an opinion. One of my roles as minister is to provide legal advice. However, as members might guess, it would be beyond my wit to provide every single piece of legal advice by every single department.

Several members interjected.

Hon PETER FOSS: The support from members opposite is gratifying. In view of my retiring nature, I would like to know whether the question is asked of me or whether I, through the agency of my department and the law officers, provided that advice?

The PRESIDENT: It is an important point. If the Leader of the Opposition can by interjection clarify that, we can get on with the answer.

Hon Tom Stephens: It is in his role as minister.

Hon PETER FOSS: Does the member mean me, personally?

The PRESIDENT: I am not here to interpret questions but I understood the member to ask the Attorney General personally.

Hon TOM STEPHENS: I specifically and clearly use the word "minister". This minister has defined what it means to be a minister, and I am using it in the sense that the Attorney General has regularly described the meaning of that word.

Hon PETER FOSS: The meaning of a minister in that case is whether I gave an opinion either personally or through my department. As far as my department is concerned I will take that on notice, but personally I did not provide any advice, nor was I personally asked. However, if the Leader of the Opposition puts it on notice I will check whether somebody else in my ministry on my behalf did so.

MR ROBERT FALCONER, PAYMENT OF LEGAL COSTS

1369. Hon N.D. GRIFFITHS to the Attorney General:

I trust I will not test the Attorney General's wit. With regard to the criminal proceedings pending against Mr Robert Falconer and the Government's decision to pay his costs -

- (1) Was the Attorney General's advice sought on the matter?
- (2) What are the reasons for the decision?
- (3) If the rationale is to do with its being a private prosecution, has a decision been made on the matter in the event that it is taken over by the Director of Public Prosecutions?
- (4) Is there any precedent for the Crown to pay legal expenses to defend criminal charges with regard to former Western Australian ministers or chief executive officers and if so, what is that precedent?

Hon PETER FOSS replied:

(1)-(4) Obviously some of those matters should be on notice.

Hon N.D. Griffiths: I thought you would know.

Hon PETER FOSS: If Hon Nick Griffiths wishes me to consider all the questions of precedent, that will require some research. I can remember being the subject of a contempt proceeding in this House because there was some confusion or doubt about what I said. I make it clear that we have a special arrangement for police officers. All police officers are directly commissioned by the Governor, whether they are the Commissioner of Police or the least constable. The arrangement is that all policemen, as long as there appears to be no clear legal point to the contrary, are entitled to be given legal advice until such time as the full legal consequences are considered. That is a power that we felt was most important for police officers, because they are constantly the subject of action brought against them, whether it is civil or criminal, and allegations being made against them. At the request of the officers of the Police Service, we have put in place a special arrangement to deal with their immediate legal costs. The long-term arrangement for legal costs has long since been the subject of a special group comprised principally of the Solicitor General - I cannot remember everybody else involved in that group - but I think it may involve the Commissioner of Police. In that case, we may have to substitute somebody else for the Commissioner of Police on the tribunal that makes that calculation. I can assure members that the fact that the commissioner is receiving immediate legal assistance is consistent with what is the right now of every policeman in the Police Service. That is a very important move made by this Government, because the situation was that they were entitled under the rules but they would not find out whether they would be assisted - at least in the interim, which is often the most important time as far as police officers are concerned - until months, even years afterwards. It is a good move and applies from the highest to the lowest and the commissioner is being treated in the same way as any other policeman and it will be dealt with under those processes at a later stage.

AMPOL FUEL STORAGE AREA, SANDTRACKS BEACH

1370. Hon J.A. SCOTT to the minister representing the Minister for the Environment:

In regard to the former Ampol fuel storage area near Sandtracks beach, which is near Port Beach in Fremantle -

- (1) Is the Minister for the Environment aware that hydrocarbon pollution is migrating offsite?
- (2) Who is responsible for monitoring and remedying the site?
- (3) What is the extent of their responsibility?
- (4) Is the Minister for the Environment aware that severe erosion of Sandtracks beach is threatening to uncover the source of pollution and allow it to run into the sea?
- (5) What action is the Department of Environmental Protection taking, or will it take, to remedy the situation?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) The minister has been advised by the Department of Environmental Protection that it has no information on hydrocarbon pollution migrating offsite.
- (2) The DEP has advised the minister that Ampol Ltd is responsible for monitoring and remediating the site.
- (3) Ampol's responsibility extends to all aspects associated with remediation of the site.
- (4)-(5) The minister has requested the DEP to investigate whether such a situation exists and initiate appropriate action as necessary.

REGIONAL FOREST AGREEMENT, UPPER LIMIT OF SAWLOGS AVAILABLE

1371. Hon NORM KELLY to the minister representing the Minister for the Environment:

- (1) What is the upper limit of the volume of first and second-grade jarrah and karri sawlogs that the timber industry will be allowed to access in each of the next two financial years?
- (2) In either or both of the next two years, will the industry be allowed to take more than the 324 000 cubic metres of jarrah sawlogs and 186 000 cubic metres of karri sawlogs set out on page 18 of the Regional Forest Agreement?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1)-(2) Under the RFA, the sustained yield levels for the period 1999-2003 inclusive are 324 000 square metres per annum of jarrah first and second-grade sawlogs averaged over the period, and 186 000 square metres per annum of karri first and second-grade sawlogs.

BUNBURY FORESHORE

1372. Hon MURIEL PATTERSON to the minister representing the Minister for Lands:

- (1) Where is the Government at with plans to develop the Bunbury foreshore?
- (2) What progress can be expected over the next two years?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1)-(2) Marlston Hill is a successful regional project and it is strongly supported by the local Bunbury community through the City of Bunbury and the South West Development Commission. The project has three sectors. The residential and commercial sectors are in the sales phase and are expected to be completed within two years. The third sector, the Marlston waterfront, is also well advanced, with subdivision works scheduled for commencement later this year and land sales commencing in 2000.

WELLINGTON WEIR, GEO ENG REPORT

1373. Hon BOB THOMAS to the minister representing the Minister for Water Resources:

I refer to my question last Wednesday regarding a report by Geo Eng on the faulty scouring valve at the Wellington Weir.

- (1) Did the Water Corporation or the State Government receive any form of advice, including draft reports, prior to the report received in May 1999 identifying problems at Wellington Weir?
- (2) If yes, when was this advice received?
- (3) On what dates did the investigation into the fault commence and conclude?
- (4) On what dates did the design work commence and conclude?
- (5) Will the minister table the final report and any preliminary reports received from Geo Eng?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) Yes.
- (2) The draft definition report was received in June 1998.
- (3) The definition investigation commenced on 7 April 1998. The draft definition report was received in June 1998. The final definition report was received in May 1999.
- (4) Hydro offtake refurbishment design work started on receipt of the draft definition report, and design and acquisition of the works were completed in October 1998. Design work for the remainder of the outlet refurbishment works commenced in January 1999. Design for the total project was completed in June 1999.
- (5) Yes. The reports will be tabled once the Minister for Water Resources has had an opportunity to review them.

TOXIC CHEMICALS, CARNARVON

1374. Hon KIM CHANCE to the minister representing the Minister for Primary Industry:

I refer to the WorkSafe investigation last week which found that the improper handling of toxic chemicals in Carnarvon contributed to more than 40 people being treated in hospital.

- (1) What steps is the minister taking to promote and require the safe handling of chemicals across the agricultural areas of Western Australia?
- (2) What protections exist for workers and the general public to ensure that they are not exposed to unsafe levels of toxic chemicals?
- (3) What quality assurance exists to ensure that produce is regularly tested to ensure that any unsafe chemical concentrations are then tracked down to the offending producer?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) Agriculture Western Australia supports the role of Farmcare WA (Inc) in providing training for farmers, growers and agency staff in the safe and effective handling of chemicals. Approximately 8 500 farmers so far have been trained by Farmcare, including growers from the Carnarvon area.
- (2) Protection is offered to the public in the form of the Health (Pesticides) Regulations; the Agriculture and Veterinary Chemicals (Western Australia) Act, which covers the labelling and safe handling of agvet chemicals; and the Dangerous Goods Act, which is administered by the Department of Minerals and Energy and covers the safe storage and transport of chemicals.
- (3) Pesticide residue surveys in fruit and vegetables are run on a periodic basis by the Health Department of WA. The most recent survey was completed in late 1998. Results of the surveys are published by the Health Department and all residue violations are tracked back to the property of origin by local government environmental health officers.

The national residue scheme also takes random samples of agricultural produce on an Australia-wide basis for residue analysis. This survey is primarily aimed at our export industries and is published annually by the Commonwealth Government.

GOLD MINES

1375. Hon GIZ WATSON to the Minister for Mines:

- (1) Will the minister name all the gold mines that were operating in Western Australia last financial year?
- (2) Will the minister name all the gold mines that are operating in Western Australia at this time?

Hon N.F. MOORE replied:

The PRESIDENT: Minister, is that every gold mine?

Hon N.F. MOORE: It could take a while to provide an answer, Mr President.

Hon Ljiljana Ravlich: It might be the best speech you ever made.

Hon N.F. MOORE: It would probably be the longest, too.

Hon Mark Nevill: It will be a lot shorter next year because of the drop in the gold price.

Hon N.F. MOORE: I am sure that Hon Mark Nevill acknowledges that it is not the fault of this Government that the gold price is low.

Hon Mark Nevill: It is your fault.

Hon N.F. MOORE: Labor brought in the gold tax. Come on, let us get it square.

Hon Ken Travers: Who brought in the gold tax?

Hon N.F. MOORE: Hon Ken Travers' federal colleagues. He should not interrupt when he does not know what he is talking about.

Several members interjected.

The PRESIDENT: Order! I knew that the answer would take some time, but we have not even started it.

Hon N.F. MOORE: I table a list of the gold royalty projects operating in 1997-98 and a list of those which are currently operating.

[See papers Nos 1154.]

ACACIA PRISON CONTRACT

1376. Hon HELEN HODGSON to the Minister for Justice:

- (1) Has the contract for the private operation of the Acacia Prison been prepared?

- (2) When does the minister anticipate that the contract will be signed?
- (3) Has the minister received legal advice to the effect that legislation is not necessary to enable a private operator to operate the prison?
- (4) If so, does that include the security functions of prison officers?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

- (1) Yes. Two versions of contracts have been drafted. The first is predicated upon the proclamation of the full contract-enabling legislation currently before the Parliament. The second is for all operational services which are not statutory functions within the meaning of the existing Prisons Act 1981.
- (2) Once the outcome of the contract-enabling legislation is known.
- (3) Yes.
- (4) The specific details relating to the security functions of prison officers is subject to continuing legal advice.

The Government would prefer to go ahead with that prison with the legislation, and we want that for two reasons. Firstly, the Government prefers that the things that subject the contractor to equipment inspections, such as the Ombudsman, the Information Commissioner, the Auditor General and the independent inspector, be statutory rather than contractual. The Government happens to think that that is a better way to do it than to do it through a contract. Secondly, the Government believes that it will get a better price and that there will be less opportunity for things to fall through the gap if there is one contract. If we do not get the contract-enabling legislation we can still go ahead, but those matters will need to be dealt with by contract.

Our advice is that that can be done, and that all but the use of force can be covered by the contract. We are now looking also at whether there is some other way in which we can go further with that even without contracting it out. We believe there are ways in which that can be done.

In the interests of the State, it would be better for that legislation to go through, because the prison would then be subject to the scrutiny of the Parliament and be directly under the provisions of the statute that relates to it, and we would have a seamless contract under which the people of Western Australia would get a better deal. I thought this Parliament would take the view that it is better to have the prison controlled by statute than to have it go through just as a matter of contract.

Hon John Halden wants to know what the contract price is before he will agree to the legislation. I do not think he will ever agree to the legislation anyway.

Hon John Halden: I did not say that at all.

Hon PETER FOSS: I beg the member's pardon; I understood that is what he needed to know.

Hon John Halden: I made it clear what I said.

Hon PETER FOSS: It is important to know when the legislation will be passed, because that will have an impact on the price of the contract, even if it does not have an impact on the fact that the prison will go ahead irrespective of whether this legislation is passed.

TRAFFIC LIGHTS, GUILDFORD ROAD AND CALEDONIA AVENUE, MAYLANDS

1377. Hon SIMON O'BRIEN to the Minister for Transport:

When will traffic lights be installed -

Hon Ljiljanna Ravlich: Have you got a promotion?

Hon SIMON O'BRIEN: Not yet.

Hon Ljiljanna Ravlich: They are actually getting you to do something!

The PRESIDENT: Order! Members are wasting their own time at the moment.

Hon SIMON O'BRIEN: Thank you, Mr President. When will traffic lights be installed at the intersection of Guildford Road and Caledonia Avenue, Maylands?

Hon John Halden: That is relevant!

Hon SIMON O'BRIEN: We are in the middle of an expansion program.

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

Installation of the traffic lights is scheduled to commence in the latter half of the 1999-2000 financial year following the resolution of issues associated with the acquisition of land required for the project.

HOMESWEST, PRIORITY ASSISTANCE

1378. Hon TOM STEPHENS to the minister representing the Minister for Housing:

- (1) How many people are listed for priority assistance as of 18 June 1999 in each of the following regions -
- (a) North Metropolitan;
 - (b) South Metropolitan; and
 - (c) South East Metropolitan?
- (2) Within each of these regions, how many people have been waiting for priority assistance for -
- (a) one to six months;
 - (b) six to 12 months; and
 - (c) 12 months or more?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) The following number of applicants are listed for priority assistance as of 18 June 1999 -
- (a) 76;
 - (b) 100;
 - (c) 65.

Please note that these figures represent only the number of new applications listed for priority assistance and exclude applicants transferring to alternative accommodation and disabled clients awaiting modified accommodation.

- (2) The waiting times are as follows -

North Metropolitan -

- (a) 37 applicants;
- (b) 16 applicants;
- (c) 23 applicants.

South Metropolitan -

- (a) 53 applicants;
- (b) 35 applicants;
- (c) 12 applicants.

South East Metropolitan -

- (a) 47 applicants;
- (b) 16 applicants;
- (c) 2 applicants.

The minister points out that the majority of applicants who have waited in excess of six months have previously received an offer of accommodation and/or have specific medical requirements which necessitate a special allocation.

RESOURCE PROJECTS VALUED OVER \$10M

1379. Hon JOHN HALDEN to the Leader of the House representing the Minister for Resources Development:

Will the minister table the number and value of each resource project valued at over \$10m that is committed to commence construction in Western Australia in the next two years?

Hon N.F. MOORE replied:

I ask the member to place the question on notice in view of the time required to provide the information.

BHP-RIO TINTO MERGER

1380. Hon MARK NEVILL to the Leader of the House representing the Minister for Resources Development:

In the event of a full merger of BHP and Rio Tinto iron ore operations in Western Australia -

- (1) What government approvals are necessary?
- (2) Is it likely that legislation will be required?

- (3) Is parliamentary approval required; and, if so, what approval?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1) Agreement of the minister is necessary for assignments in accordance with the terms and conditions of the relevant state agreement Act assignment clauses. The assignors remain liable for their performance of obligations under their respective state agreement Acts unless the minister agrees to grant a release. Such a release can only be granted where the minister considers that the release will not be contrary to the interests of the State.
- (2) The principal Hamersley Iron state agreements do not contain a provision that enables the minister to grant release from ongoing performance of obligations under the agreements. Therefore, if a release were sought, it would be necessary to first amend the agreement Act to include empowering provisions consistent with the provisions in the BHP state agreements. Any variation agreement would require ratification by Parliament. It is unlikely that the BHP agreements would need to be similarly varied as they already contain release provisions.
- (3) If a variation agreement were entered into, a ratification Bill would need to be introduced into the Parliament. Similarly, if a new agreement were negotiated for the merger processes, this would also require ratification by Parliament.

AUDITOR GENERAL'S REPORT ON PUBLIC HEALTH SECTOR, YEAR 2000 COMPLIANCE

1381. Hon E.R.J. DERMER to the minister representing the Minister for Health:

I refer to the Auditor General's report on the Western Australian public health sector of April 1999 which includes a recommendation that contingency plans be completed, particularly for high risk situations, irrespective of the level of confidence in the year 2000 compliance of systems, equipment and plant. By what date will this recommendation be implemented for all Health Department WA services?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

The Health Department anticipates that contingency plans will be implemented for all critical equipment and services by 30 September 1999. All metropolitan and rural hospitals have now developed business continuity plans to cover contingencies for year 2000 failures of critical equipment or services. These plans will be audited for readiness by 30 September 1999.

COLLIE TOURIST BUREAU

1382. Hon J.A. COWDELL to the Minister for Tourism:

- (1) Is the minister aware that government financial support for the Collie Tourist Bureau has decreased from \$15 368 in 1996-97 to \$6 000 in 1998-99; that is, this financial year?
- (2) Is the minister also aware that the financial burden on the Collie Shire Council for funding the Collie Tourist Bureau has increased dramatically from \$19 000 in 1996-97 to \$52 500 in 1998-99?
- (3) What steps, if any, will the minister take to ensure that tourism in Collie does not continue to be starved of funds and that the Collie Tourist Bureau will receive funding comparable with that received by the coastal tourist bureaus?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1) No. However, I am aware that the Government's financial support for the Collie Tourist Bureau was \$15 368 in 1996-97 and that Tourism South West's contribution in 1998-99 was \$9 868. Overall funding to regional tourism in Western Australia has increased during this time by some 35 per cent.
- (2) No.
- (3) In 1997-98, the WA Tourism Commission shifted from the regional tourism funding policy of 1994-97 to new fee-for-service-based contracts with the state's regional tourism associations. The WATC has an agreement in place with Tourism South West as the recognised regional tourism association for the south west region. The new agreements are premised on regional decision making. In accordance with the principle of regional decision making, Tourism South West determines how much funding is provided to each tourist bureau in the region. I am also aware that the amount of funding received by the Collie Tourist Bureau in 1998-99 from Tourism South West was greater than that received by the coastal towns of Dunsborough and Busselton, while Margaret River did not receive any funding from the association.

INFILL SEWERAGE PROJECT, LOT 331 WORDSWORTH AVENUE, YOKINE

1383. Hon RAY HALLIGAN to the minister representing the Minister for Water Resources:

I refer to the letter dated 18 March 1998 from the Water Corporation to the owner of lot 331 Wordsworth Avenue, Yokine.

- (1) Can the minister confirm that construction of the infill sewerage reticulation project relevant to lot 331 Wordsworth Avenue, Yokine, will commence in July 2000?
- (2) Is the minister aware that a number of residents in the immediate vicinity of lot 331 have relied on the advice on the project commencement date contained in the Water Corporation's letter dated 18 March 1998?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1)-(2) At the announcement of the infill sewerage program by the Premier in April 1994, the Water Corporation was faced with the huge task of scheduling the identified unsewered parts of the State for reticulated sewerage over a 10-year period with a limited annual budget. This project is very dynamic and one of the major difficulties encountered by the corporation is that until all the required works for an infill area are complete, an actual commencement date for construction cannot be accurately ascertained. However, planning dates do become more accurate as the program develops. The letter dated 18 March 1998 provided the best possible proposed construction date that could be given at the time. A preliminary design for Morley 53F, which includes lot 331 Wordsworth Avenue, has been prepared. Just recently the various routes for the reticulated mains were "walked" to confirm the design criteria. A number of issues were encountered and the proposed design is being reviewed to address the issues raised. The target construction date is still no later than January 2001, and should the design proceed better than expected, construction may start sooner.

LOCAL GOVERNMENT, ACCESS TO INTERGOVERNMENTAL AGREEMENT

1384. Hon CHRISTINE SHARP to the minister representing the Minister for Local Government:

- (1) Can the minister explain why local government bodies have not been allowed access to the terms of the intergovernmental agreement which will detail the new state responsibilities for funding under the federal tax legislation?
- (2) When does the Government expect to begin negotiating with local government over the funding shift proposed in the intergovernmental agreement?
- (3) The state has guaranteed to maintain grants to local government according to current criteria of per capita-consumer price index growth. This will see local government grants decline as a share of state goods and services tax revenues. Given the decline of local government grants relative to commonwealth and state tax revenue, how does the Government anticipate that local government will be able to provide the expected standard of services for the community?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1)-(3) As part of the revised GST package agreement between the Commonwealth Government and the Democrats, local government funding will remain with the Commonwealth.
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