



WESTERN AUSTRALIA

# **Parliamentary Debates**

**(HANSARD)**

THIRTY-FIFTH PARLIAMENT  
FIRST SESSION  
1997

LEGISLATIVE COUNCIL

Tuesday, 16 September 1997

## Legislative Council

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**THE PRESIDENT** (Hon George Cash) took the Chair at 3.30 pm, and read prayers.

### PETITION - EUTHANASIA

Hon Norm Kelly presented two petitions signed by 122 and 95 persons respectively as follows -

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 respectfully draw the attention of the House to the issue of legalising voluntary euthanasia for the terminally and incurably ill.

Your petitioners pray that the House will pass a Bill allowing for a state referendum legalising the strictly and properly regulated practice of voluntary euthanasia for the terminally and incurably ill.

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

[See papers Nos 771 and 772.]

### SELECT COMMITTEE TO CONSIDER THE RELEASE OF DOCUMENTS FROM THE SELECT COMMITTEE ON THE WESTERN AUSTRALIA POLICE SERVICE

#### *Report*

Hon Derrick Tomlinson presented the report of the Select Committee on the Request to Release Documents of the Select Committee on the Western Australia Police Service to the Anti-Corruption Commission, and on his motion it was resolved -

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

[See paper No 773.]

### MOTION - URGENCY

#### *Stephenson and Ward Incinerator Site*

**THE PRESIDENT** (Hon George Cash): I have received the following letter from Hon Jim Scott -

Dear Mr President

At today's sitting I shall move under Standing Order No 72 that the House at its rising adjourn until 4.00 pm on Wednesday, 24 December in order to discuss the failure of the Government to properly consult, investigate or address the concerns of the local community over the management and impacts of the Stephenson and Ward incinerator in Welshpool.

In order for this motion to be debated, it will be necessary for at least four members to signify their support by standing in their places.

[At least four members rose in their places.]

**HON J.A. SCOTT** (South Metropolitan) [3.37 pm]: I move -

That the House at its rising adjourn until 4.00 pm on Wednesday, 24 December.

I draw attention to this matter because a decision will soon be made as to how the Stephenson and Ward incinerator site at Welshpool will be cleaned up. Two options are being considered for the site. One is a full remediation, which would involve taking down the existing structure and completely cleaning up the site. The second is a partial remediation, where probably a clay membrane would be built around the incinerator. Those two options have been investigated recently and the matters have been discussed in a community liaison group which has been set up and chaired by Professor McComb.

The problems with this incinerator go back a long way. I would like first to go into a little of the history of this site. The Stephenson and Ward operation has been the subject of criticism for 16 years by the local community because of the amount of pollutants coming from the unscrubbed chimneys.

The media release from the Felspar Road Action Group reads -

After 16 years of operating without a scrubber (filter), even when burning PCBs and pesticides in the early years, the Stephenson and Ward incinerator is finally being fitted with a device to reduce toxic emissions.

Hon Derrick Tomlinson: When did the community first complain about it?

Hon J.A. SCOTT: It has been complaining for a very long time.

Hon Derrick Tomlinson: It is not quite right to say that because the incinerator has been operating for 16 years, people have been complaining for 16 years.

Hon J.A. SCOTT: The people receiving the smells and PCBs probably were complaining. They said they had been complaining for years.

Hon Derrick Tomlinson: They probably were?

Hon J.A. SCOTT: I have some very old press releases which go back for many years, way before I was in Parliament, which show that people have been complaining for a long time. The member can talk to them to find out when complaints were first made, but it was a very long time ago.

Hon Derrick Tomlinson: I am just trying to get the facts straight.

Hon J.A. SCOTT: I refer to 16 years. The media release refers to "16 years of operating without a scrubber".

Hon Derrick Tomlinson interjected.

Hon J.A. SCOTT: I would like to get on with this.

The PRESIDENT: Order!

Hon J.A. SCOTT: The Government announced suddenly that scrubbers would be put on this incinerator and that they would be the best in the world. The Government used the words "state of the art" and said that it would be the cleanest incinerator in Western Australia. However, when the time came, the media release read -

Originally the community group was told that a wet scrubber was the safest and best for the purposes of reducing toxic discharges from the incinerator, however now we find that contrary to the original advice, they are installing a dry scrubber, not a wet scrubber. When FRAG asked the Department of Environment Protection to seek expert advice from designated scientists on the required scrubber, the Department ignored FRAG's request.

When the local Council refused at their January meeting to approve replacing the wet scrubber with a dry scrubber, the incinerator owner appealed to Richard Lewis, the Minister for Planning who overruled the Council. Clearly, Mr Lewis has no interest in the health and welfare of the community.

That is rather interesting, because I have another release from Mr Lewis saying how wonderful it is that they will be getting this state of the art scrubber. He seems to have changed his mind somewhere along the way. The Government will be spending \$1.4m of taxpayers' money to clean up the site. I understand that Stephenson is supposed to put in some money - I think \$100 000. I do not know how much of it has been expended. However, \$320 000 of State Government money has been expended. I am not sure on what, and I would be interested to find out. It represents almost a quarter of the total amount. No physical work seems to have taken place.

The clean up will involve handling PCBs. The interesting thing about PCBs is that they were discovered not by the Government or the council but by Greenpeace. Bear in mind that the Government will pay \$1.4m for the clean up. Greenpeace was alerted to the PCBs by a statutory declaration, of which I have a copy. The declaration was made by a worker at the site who said -

On a morning in November of 1991 at approximately 8.00am, I arrived at work (Stephenson & Ward Incinerator Co.) where I had been employed fulltime for 2 ½ years, and had worked at various times over a twelve year period. Although I normally unlocked the yard and buildings when I arrived, on this day, Frank Stephenson had arrived before me, unlocked, and was at the rear of the building. Upon entering the side door of the factory I noticed that the back door was open. This gave access to the area where concrete mixing and steel cutting took place. As I walked through the open doorway I saw Frank wearing a pair of rubber gloves, holding a large cold chisel in one hand and a gypie hammer in the other. He was in the process of punching holes in some of the seven drums of chemicals which were stored next to the gas mains. He had in fact put several holes in two of the (44 gallon) drums and fluid was spurting out of them. There was a strong smell of chemicals. I was appalled at the sight of it and immediately expressed my disapproval

and did what I could to prevent any further outflow of the chemical. I then suggested the purchase of a small stainless steel metering pump to slow feed the remaining chemical into the incinerator furnace when the temperatures were high enough. I found and purchased a pump but was not given permission to begin using it.

This information has been passed on and, I understand, is being investigated. When I asked questions about this recently I was told by the Minister that from where the high level of PCBs on that site came has not been ascertained. The site is not right next to the incinerator but is a storage site further away from the incinerator. The source has not been ascertained because obviously the statutory declaration of this person has not been believed.

Hon Derrick Tomlinson: All the statutory declaration said is that chemical drums were perforated. Where is the evidence from that?

Hon J.A. SCOTT: I will read the rest of it. It reads -

As the contaminated area was where I was often required to work and the odour was at times overwhelming, at the end of November I signalled my intention to resign at the end of December. At this time nothing further had been done with the punctured, remaining drums. It was always my understanding that the drums contained Poly-Chloro-Bi-Phenyls (P.C.B.'s) left over from the time when the West Australian Health Department had supervised the burning of P.C.B.'s through Stephenson & Ward.

Hon Derrick Tomlinson: When was that?

Hon J.A. SCOTT: That was there from the 1980s, and right through to the 1990s, I believe, but I do not know when it stopped. Certainly they were being burned in an incinerator. The idea was that they were sprayed onto other waste as it was being burned.

Hon Derrick Tomlinson: In the 1980s?

Hon J.A. SCOTT: They started being stored there and disposed of in the 1980s. The question is, if indeed this is the method by which the PCBs got into the ground water and soil at the site, why on earth is the State Government paying for the clean up? That is question No 1.

Hon Peter Foss: One of the reasons is that Mr Stephenson does not have any money.

Hon J.A. SCOTT: That is the next point. I will go on to explain why the Government is doing it.

Hon Peter Foss: Would you accept that that is not a bad reason?

Hon J.A. SCOTT: I do not think it is a bad reason. I am saying that the community is not happy with the fact that we are getting only a partial clean up, especially as housing areas are very close to the Welshpool incinerator. An incinerator is not a clean and efficient way of getting rid of biochemical waste when alternatives would cost less than the cost of a clean up.

Hon Derrick Tomlinson: What are the alternatives?

Hon J.A. SCOTT: One of the alternatives which has been investigated by both the Felspar Road Action Group and the CSA -

Hon Derrick Tomlinson interjected.

Hon J.A. SCOTT: No, this is a pollution action group. I will come back to that.

Hon Derrick Tomlinson: Is it a community action group?

Hon J.A. SCOTT: Yes. This is one of the groups that have now signified their intention to leave the community liaison group. Since Professor McComb put forward the draft of his report, he has not given the community group the final report to see whether it approves of it or wants any changes. People have been concerned that their real concerns are not being addressed. A number of people have said that they intend to resign from the community liaison group because the report will not contain the matters they wanted raised. That includes the CSA, the Felspar Road Action Group and the representative of the Shire of Canning. All these community representatives have either pulled out of this operation or have signalled their intention to do so, and I understand that they have now put in a report dissenting from the McComb report.

It appears that the Government has already chosen option No 1, because, as the letter from the director of the pollution prevention division of the Department of Environmental Protection states -

If the Government does not support the management strategy, it is highly likely that the current operation would fail and the State would be left without an essential disposal facility for biomedical waste. If the incinerator operation fails, the site would likely become an 'orphan' site and the State may have to assume responsibility for its clean-up in any event.

It appears that the Government is paying for the clean up in any event.

Hon Peter Foss: It is getting \$100 000.

Hon J.A. SCOTT: Yes, but the incinerator is being allowed to continue operating in a residential area where it should not be sited, when for less than \$1m we could get a microwave unit which would dispose of that material in a perfectly safe and very cheap way.

Hon Derrick Tomlinson: Where would you put it?

Hon J.A. SCOTT: A microwave unit is small enough to be moved around from hospital to hospital on the back of a truck. It is the size of a container.

Hon Derrick Tomlinson: From veterinary surgery to veterinary surgery? How much time would it spend on the road picking up waste?

Hon J.A. SCOTT: The Government is not looking at real alternatives. It is not listening to the community. The people in the area are fed up. They have been misled by the Government in the past, and they have complained constantly about the lack of action and the fact that the Government has gone back on its promise about this incinerator -

Hon Peter Foss: That is nonsense.

Hon J.A. SCOTT: It is clearly not nonsense.

Several members interjected.

The PRESIDENT: Order! Members are wasting the speaker's time. Everyone will be given an opportunity to speak, within the constraints of the standing orders. Hon Jim Scott has a little over 30 seconds to go, and I ask members to please desist from interjecting.

Hon J.A. SCOTT: Thank you, Mr President. A media notice from the Bellevue Action Group, the Coalition for the Jandakot Water Mound, the Felspar Road Action Group, the Minim Cove Protection Group and the Mirrabooka Action Group states -

Our respective groups have strived, unsuccessfully, to have the Minister address serious contamination and pollution issues which threaten the health of present and future generations of Western Australians. Instead of ensuring that these matters receive urgent and appropriate action, the Minister has seen fit to ignore them, to procrastinate or to place commercial interests above those of public health and welfare.

That says it all. I urge the Government to have an open mind about these two different processes.

**HON MARK NEVILL** (Mining and Pastoral) [3.53 pm]: It is preferable that polluters pay for the clean up of pollution, and I hope that those people who have caused the pollution around this incinerator have been prevailed upon to pay all they possibly can to clean up the mess. However, I am a bit confused about the debate so far, because we seemed at one stage to be talking about PCBs, which I thought was the major problem, but we talked also about biomedical waste, which I agree with Hon Jim Scott can probably be sterilised by other means.

Hon Derrick Tomlinson: He finally dragged in the red herring of Omex and Bellevue.

Hon MARK NEVILL: I always understood the problem at Welshpool to be PCBs. I am concerned about the focus of some groups. People often have genuine concerns about the relative risk of PCBs, but the media often engages in the practice of emphasising the perils rather than looking at the risks in perspective. The PCBs in the area around this incinerator are probably in the soil. A book by Aaron Wildavsky entitled *But Is It True? A Citizen's Guide to Environmental Health and Safety Issues* refers at page 52, under the heading "The Dangers of PCB Residues in Soil", to a United States source - a publication entitled *Regulatory Toxicology and Pharmacology* - and states that according to recent estimates, an average 33 pound, or 15 kilogram, child playing all day in soil containing 10 parts per million of PCBs would end up absorbing about 0.6 of a microgram of PCBs, for a total exposure of 0.00004 milligrams per kilogram per day. The important point is that this is 2 500 times less than the daily diet that appeared to cause hormonal problems in pregnant rhesus monkeys and 125 000 times less than the daily diet associated with increased cancer incidence in two strains of rats. In reality, children would not play all day, every day in contaminated soil, so they would have even smaller exposures.

Sites that present a threat should be cleaned up, but the risks must be looked at in perspective. In some cases in the United States and Australia, millions of dollars of public money has been spent on clean ups that have produced no likely health or environmental benefits. I want to be assured that that is not the case at this incinerator site. We should spend money where there are risks and where important benefits can be obtained. This incinerator has been in operation for 15 years. If there has been contamination around the site, I would like to know from the Minister why that has not been monitored and reported; or, if it has, where that was done and what action was taken to ensure that the material was incinerated properly.

I have great faith in high temperature incinerators if they are operated correctly. However, if good management practices and audit protocols are not in place, we all know that near enough will be good enough. When we dealing with toxic compounds, we need to have in place the best protocols that are available. PCBs have been around since about 1929. They are very stable at high temperatures; therefore, they persist in the environment. However, according to all the epidemiological studies, the worst health problems they have caused for people are poor acne and gastrointestinal problems. The results of a number of studies of pregnant woman have been very inconclusive and suggest that there is no real impact. A study in the United States showed that some babies had shorter gestation periods and slightly lower body weights than the control group, but those body weights were well above average body weight.

Therefore, I do not believe that PCBs are as toxic as some people suggest. It is true that they accumulate at the end of food chains, but that can be avoided by not eating fish that come from areas where PCBs are found. We should be very careful that we are not panicked by the media's stories of peril into spending millions of dollars which will have no environmental or public health benefit.

That should be the prime concern in whatever clean up is needed at Welshpool. I am not suggesting that a clean up is not needed. However, little scientific evidence has been used in making these decisions. The basis of all regulation in this area should be scientific assessment. I know that is anathema to people in the new age, but that is the fact of the matter. I would like a full account from the Government about what has been done and what are the risks in Welshpool.

**HON NORM KELLY** (East Metropolitan) [4.00 pm]: My main concern with the Stephenson and Ward incinerator site relates to the Government's plans for dealing with contaminated sites in the Perth area. I am concerned that the Government might choose to undertake the cheaper option of a partial clean-up of the site, which is estimated to cost \$620 000, as opposed to an entire site clean-up, which would cost \$943 000.

Hon Greg Smith interjected.

Hon NORM KELLY: It would have to clean up Cockburn Sound to do that. According to a report from Kinhill Engineers Pty Ltd, the main problem with the current use of the incinerator site for the burning of medical waste is that it is the only such facility in Western Australia that meets the emission regulations set by the Department of Environmental Protection under the Environmental Protection Act licensing provisions. The Kinhill report states -

Any site remediation method adopted must take into account the impact of disrupting the medical waste incineration process.

The Government could argue that it should not close down the site because a total clean-up would take three months. How does the Government intend to cope if the incinerator becomes inoperative for some other reason? What measures would be put in place to deal with the medical waste generated in Western Australia?

Hon Peter Foss: Are you suggesting we should have two of everything?

Hon NORM KELLY: Other cleaner options are available. A reasonably cheap option would be to shred the sheets and bandages and then microwave them. That renders the matter harmless, reduces its bulkiness and makes it acceptable for deposit at landfill sites. Some medical waste - gross anatomical waste such as amputated legs - cannot be treated in that way, but that comprises an extremely small component of the total waste.

Hon Peter Foss: What do you suggest we do with that?

Hon NORM KELLY: I believe the facility at Red Hill can take that waste. Cytotoxic drugs, which are used in the treatment of arthritis, can be extremely dangerous if used incorrectly.

Hon Peter Foss interjected.

Hon NORM KELLY: These dangerous drugs need to be disposed of in a different way. However, this method of dealing with the bulk of the medical waste is a viable alternative for Western Australia. We could implement such a system, close down the incinerator site and eliminate its associated pollution and other side effects. If the

Government does not see that as an option, I would like to know what it intends to do if the incinerator breaks down.

**HON MAX EVANS** (North Metropolitan - Minister for Finance) [4.03 pm]: I thank Hon Mark Nevill. As usual with subjects such as this, he made a very valuable contribution. I see that he is now enlightening Hon Jim Scott.

Hon Mark Nevill: He is enlightening me.

Hon MAX EVANS: Let us not ruin a good story!

Until 1981-82, the incinerator was used to burn oil containing PCBs. The indirect use of PCBs was as a dielectric oil in electric transformers. It is not known how the soil at the site came to be contaminated with PCBs, but the matter has been common knowledge since the early 1990s. Some members of the community have made other allegations about how the site came to be contaminated. However, none of those allegations has been proved. An allegation made in late 1996 is still being investigated.

In 1994-95, several studies were undertaken of the site by the then Geological Survey of WA and the Department of Environmental Protection. They characterised the soil and ground water contamination on the site and adjacent lands - predominantly a road reserve - and the extent of the contamination, and that information was made public.

Acting on this information, in late 1995 the Government agreed to fund a remediation of the site, costing up to \$1.4m with a \$100 000 contribution from the landowner. The then Minister, Hon Peter Foss, announced that measure in late 1995. The Department of Environmental Protection then commenced a further series of investigations in 1996, which led to a report being prepared, not the site remediation. The DEP also established a community liaison committee to be involved in the site clean-up with membership comprising the City of Canning, government agencies and members of the community. The DEP placed public advertisements and used letterbox drops in the local community to attract interest. The community group with the most interest in this site, the Felspar Road Action Group, chose not to accept the DEP's invitations to attend these meetings.

The DEP then submitted the remediation project to the Environmental Protection Authority for consideration of a level of assessment, and the EPA decided to assess it at the level of informal review with public advice. That recommendation was appealed against and the Minister for the Environment, in dismissing the appeals against the level of assessment, appointed Emeritus Professor Arthur McComb of the Institute of Environmental Science, Murdoch University, to provide independent advice to the EPA on the matter and to chair the community liaison committee, which had continued to meet. The Minister also invited FRAG to join the committee, and that invitation was accepted. The Contaminated Sites Alliance subsequently also joined the committee.

The DEP then prepared a draft work plan for the site remediation project, which was discussed with the committee on several occasions, and submitted it to the EPA in June 1997.

I am advised that Professor McComb has spent considerable time discussing the matter with community members, the site operators and government agencies and has attended several committee meetings. Professor McComb's report was discussed at the EPA on 11 September. Both his report and the EPA's decision support the proposed work plan put forward by the DEP. The earthworks will start on site probably in late November, and Professor McComb will retain his dual role until the operation is finished. FRAG has resigned from the committee again.

The Stephenson and Ward incinerator was the only high temperature incinerator upgraded to meet the new standards set by the licence conditions under the Environmental Protection Act. The upgraded incinerator is designed to meet world standards of environmental emissions and tests have shown that it consistently complies with those standards.

Prior to issuing a works approval to construct the upgraded incinerator and issuing the licence in March 1996, the DEP consulted closely with the community, including FRAG. While the department could not accommodate all the requirements proposed by the community, conditions imposed on the incinerator met many of the concerns raised.

Since the incinerator recommenced operations in 1996, the department has maintained very close contact with concerned members of the community. This has included senior officers of the department driving members of the community around the Felspar Road area to assess the nature and extent of emissions and numerous visits and inspections to the area to investigate complaints and concerns raised by members of the community. Few, if any, of the complaints lodged have been verified as valid by departmental officers. Regular correspondence has been undertaken with members of the community in response to letters and unsolicited advice and information regarding monitoring results and licence amendments has been provided. The operations of the incinerator have been regularly discussed at Stephenson and Ward site clean-up community liaison committee meetings.

Throughout the period since the incinerator recommenced operations in March-April 1996, the DEP has endeavoured to respond in an open and accountable manner to all reasonable requests and requirements of the community. This has included responding to more than 50 letters from FRAG in 18 months.

Prior to 1993, Western Australia had no substantial regulations governing the operation of biomedical waste incinerators. This meant that most public and private hospitals had their own incineration facilities, all without any modern pollution control equipment fitted, to deal, in a general sense, with anything other than particulate pollution.

In 1993 the then Minister, Hon Kevin Minson, in response to some concerns in the community, engaged Mr Colin Porter, a former chairman of the Environmental Protection Authority, to review the operation of the State's biomedical waste incinerators and to make recommendations for improvements to the State's regulatory controls. Mr Porter reported in late 1993 and the Government effectively accepted the primary thrust of his report. This led to an agreement by the Government to license these facilities and ensure they operated to high standards of emission control. The requirement to upgrade these facilities was phased in to avoid major dislocation to the proper management of biomedical waste.

The result of these progressive government actions was that all of the existing incinerator operators decided not to upgrade their facilities to meet the new standards, except for Stephenson and Ward Incinerator Co Pty Ltd. By mid-1996, when the strategy was completely implemented, over 60 biomedical waste incinerators had closed. I am advised that the Stephenson and Ward company invested many hundreds of thousands of dollars in upgrading the incinerator and fitting it with pollution control equipment to meet the new licensing standard. The company has done this without any guarantee of waste streams from the Government, other than volumes of waste it has won on contract from the public health system.

In parallel with this overall strategy and the closure of these incinerators, the Department of Environmental Protection and the Health Department initiated a review of waste management procedures in the public health system directed at proper streaming of wastes, removal of wastes, that did not need to be there, from the stream for incineration and the introduction of secure land filling of certain appropriate wastes. All of this has resulted in Western Australia having a clinical waste management system that is cost effective for the hospitals and meets the necessary public health and environmental concerns of this State.

Hon Norm Kelly referred to microwave technology which can be used for the disposal of medical waste. There are no environmental barriers against this method of disposal except for the commercial reality. It would cost approximately \$1.7m for this process and at this stage, no-one has rushed to invest that amount of money to dispose of medical waste.

**HON J.A. SCOTT** (South Metropolitan) [4.12 pm]: I thank members for their contributions to this debate. I must apologise to the House for not properly completing my earlier remarks. I was sidetracked by the comments by way of interjection.

The Attorney General, by interjection, pointed out that the reason the site was being cleaned up was that Mr Stephenson was not able to undertake that work. In August 1994, he is quoted in the *Canning-Melville Times* as agreeing to remedy the site.

Hon Peter Foss interjected.

Hon J.A. SCOTT: I understand there is a problem in that regard. New housing developments are proceeding next to this site. A market garden, the produce from which is going to the metropolitan markets, is practically right under the smoke stack of this building.

At this stage, polychlorinated biphenyls are not being burnt at that site, but if Mr Stephenson has poured PCBs onto the ground, is he the right operator for this facility?

Hon Peter Foss: The evidence on that is not right either. You have it in a statutory declaration, but it has not been established. There is something interesting about that person which you have not told us.

Hon J.A. SCOTT: What about him?

Hon Peter Foss: He has a special reason for not getting on with Mr Stephenson. We need to know the background.

Hon J.A. SCOTT: I am happy to table the two statutory declarations for the Attorney General's information. Is the Attorney General saying that he is Mr Stephenson's son-in-law?

Hon Peter Foss interjected.

The PRESIDENT: Order!

Hon J.A. SCOTT: I am trying to establish whether the partial remedy has been understated because it did not provide the cost of remediating the other part of the site, which I understand is \$12 000. If it is done now, it will cost a lot more. In this instance, a membrane will have to be put around the facility while it is operating. It will cost a lot of



money to do that. I understand the facility will have to be dismantled and reconstructing it will be the most expensive part of the exercise.

The figure established by the Felspar Road Action Group and the Contaminated Sites Alliance for the microwave process is \$900 000, not \$1.7m as stated by the Minister for Finance. They have provided me with lots of information about the process. Burning the waste is an outdated process.

Hon Peter Foss: What about cytotoxic waste?

Hon J.A. SCOTT: Cytotoxic waste is a small percentage of the waste. It can be graded as hazardous waste and treated as such because it is a toxic material or the chemicals can be sent back to the manufacturers, as they are in other countries. There are other ways of disposing of that safely without polluting the atmosphere and affecting the people who live close to that incinerator. The other chemicals are a problem. The real problem is whether we can fully trust Mr Stephenson to operate this facility and whether there should be some competition for Mr Stephenson, as many of the hospitals would like. When he won that contract, there were 74 different cytotoxic wastes and 67 biomedical waste incinerators in Western Australia.

Motion lapsed, pursuant to standing orders.

### HOUSE COMMITTEE

#### *Membership*

On motion, without notice, by Hon N.F. Moore (Leader of the House), resolved -

That Hon E.R.J. Dermer be discharged from the membership of the House Committee and Hon Tom Helm be appointed in his place.

### MOTION - STANDING COMMITTEE ON PUBLIC ADMINISTRATION

#### *Heroin Use in Western Australia*

Resumed from 11 September.

**HON CHERYL DAVENPORT** (South Metropolitan) [4.18 pm]: When the debate was adjourned last Thursday, I was putting to the House the example of a young man who is currently trying to exit a two year heroin addiction. I conveyed to the House a disgraceful display of police behaviour towards young people. I expressed my concerns about the lack of respect which, in some instances, adults display towards young people. I will refer to the issue of respect and listening to young people when I address part (h) of the motion.

I will complete my remarks about this young man and his family and their quest to access services to facilitate his exiting his addiction. I indicated that this young man has not yet entered the justice system and we are hopeful we will be able to prevent this occurring. His access to money is limited and his habit is so entrenched it is something that will be contemplated if we cannot get him on a program that will assist him. My colleague, the member for Fremantle, provided me with possible options to access help for this young man. The first is the methadone program. I guess he and his family are anti that program because it has basically the same result as heroin; that is, it provides a pleasurable experience but, unlike heroin, the rush is somewhat limited. It also is addictive.

Hon Peter Foss: It is more addictive than heroin.

Hon CHERYL DAVENPORT: That is true. It is addictive and it takes people many years to be free of that drug, which has many nasty side effects. A drug known as naltrexone, as I understand it, can work for a person, but only if he or she wants to give up the heroin addiction.

Hon Peter Foss: That is the case with most treatments; if people do not want to give up, you're wasting your time.

Hon CHERYL DAVENPORT: May I finish? I want to explain the effect of naltrexone, which is not an approved drug in Australia although it may be used. A company has the right to supply it, but one probably needs permission from the commonwealth Department of Health and Family Services to administer the drug. The bottom line is that one needs to be in a life or death situation to be able to access that treatment. My information suggests that naltrexone blocks the receptors which provide the high for heroin dependent people, but one needs to use naltrexone over a long period to break the heroin addiction. A person must be free of heroin for something like four or five days before one can contemplate using naltrexone, which must be applied by a physician intravenously for the first time, and then it can be used in a tablet form. This stops the need for heroin.

Along with naltrexone use, the addict must be supported to get out of the drug culture, and such programs should work hand in hand with the medical professionals administering this drug. Generally, people using hard drugs do

not have jobs to enable them to be part of a culture different from the drug culture in which they live. Relationships with family need to be re-established in order to assist addicts, and new friendships must be made so these young people are not persuaded to access heroin again.

Another side effect of naltrexone is that if the young person were to be coerced into returning to heroin, larger quantities of heroin would be needed to get high; so the drug is certainly not without risk. However, as long as the right sorts of opportunities are provided to assist the addict, so he or she has cooperation from families and access to work, and is submerged in a culture away from the drug culture, naltrexone will have an opportunity to work.

The difficulty, as I said earlier, is that only one doctor in Western Australia has some experience of naltrexone. Accessing the drug is very difficult. For the last five to six days, we have been trying to get in touch with the support services. We are working in conjunction with this doctor to try to get this young man access to assistance, and it has not been easy - access still has not occurred. When a young person is prepared to admit that he or she has a problem and wants to change, access to services and programs for detoxification are needed immediately. Otherwise when that person has access to the drug culture again, the same problem arises.

The pressures placed on families trying to support a young person fighting heroin addiction is intolerable. Paragraph (c) of the motion reads -

the adequacy or otherwise of facilities and treatment for persons who are dependent upon heroin, including recommendations as to facilities and treatments appropriate to be provided.

Those facilities and treatments are simply not available. We know we have a problem, but it will only get worse until those rehabilitation programs are put in place.

Hon Peter Foss: They have lots of programs. When I was Minister for Health, I could never get a real demonstration of the ones that worked.

Hon CHERYL DAVENPORT: That can only be achieved if the programs are seeking the material necessary to evaluate them. The progress of the young people must be followed. Is the Minister saying that, in those circumstances, it is not worth having a go?

Hon Peter Foss: Naltrexone seems to be worth a go. Often, one looks after people until they cure themselves.

Hon CHERYL DAVENPORT: The problem with heroin is that they might not be alive the next day.

Hon Peter Foss: It is.

Hon CHERYL DAVENPORT: This young man may go out tonight needing a fix, and he may be dead tomorrow. If we had access to facilities, there may be some chance of preventing a tragedy.

Hon Peter Foss: Naltrexone appears to demonstrate a chance; however, the Federal Government will allow the doctor to treat 13 people.

Hon CHERYL DAVENPORT: It is not many. The bottom line is: How do we deal with this problem? We need investigation on the subject and to give people access to naltrexone. As I said - paragraph (d) of the motion applies here - we need community support services for not only the young people, but also their families. As I said on Thursday, this young person's relationship with his grandparents has been destroyed, and his relationship with his brother, who is two years younger, has gone - he needed money, so he took goods which belonged to his brother and sold them to supply his habit. His mother and father are trying to hold that family together. Obviously, distrust has been created. The family need access to support.

I am pleased that such support is available through Palmerston Drug Research and Rehabilitation Association and Holyoake, but limits apply even then. The services provided by those organisations do not suit every family. A range of programs are needed. People need somewhere to go to express their anger, as families are angry about why this problem occurred. This mother has done a good job in raising her children. This young man was in a long term relationship, which broke up two years ago; the relationship had started in their school days and, when he was aged 20 years, it disintegrated. Initially, he tried drugs because he was feeling down, and that is where the problem began.

Parents blame themselves, as I have seen occur with this family. They ask: Where have I failed? We do not know enough about why young people turn to drugs, and this area needs research. It is not currently being done.

Hon Peter Foss: There is another problem: The long term addicts have psychiatric problems as well. If you get them off the drug, one still has a problem. A lot of them are schizophrenic, which is very difficult.

Hon CHERYL DAVENPORT: I am sure that the drug contributes to that condition as well.

Hon Peter Foss: Especially marijuana appears to.

Hon CHERYL DAVENPORT: This case involves a heroin addiction of two years; it is not a marijuana addiction.

Hon Peter Foss: It is not the addiction to marijuana, but it often precipitates that sort of problem.

Hon CHERYL DAVENPORT: I am saying that not enough research is done to find out why young people turn to this sort of lifestyle. I received my copy of the parent booklet "Drug Aware" last week and I have taken the time to read it. I will comment tomorrow on that because some areas are not dealt with in that booklet and must be addressed.

Debate adjourned, pursuant to standing orders.

## **WATER SERVICES COORDINATION AMENDMENT BILL**

### *Report*

Report of Committee adopted.

## **CEMENT WORKS (COCKBURN CEMENT LIMITED) AGREEMENT AMENDMENT BILL**

### *Third Reading*

Bill read a third time, on motion by Hon N.F. Moore (Leader of the House), and passed.

## **HAIRDRESSERS REGISTRATION REPEAL BILL**

### *Second Reading*

Resumed from 28 August.

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [4.32 pm]: As members will be aware, I sought leave to continue my remarks during my summing up of the second reading debate so that some members could consider alternative ideas that were put forward by, I understand, the Minister for Employment and Training. The Minister was engaged in a number of discussions with some members from this Chamber to look at whether amendments or other considerations could be put into place that would enable those members to support the second reading, bearing in mind that we had already heard from each non-government party that it was opposed to the Bill. The Minister for Employment and Training had a number of amendments prepared; however, I understand that when those amendments were submitted they were found to be out of order in the context of the proposals contained in the second reading speech. I do not propose to proceed with those amendments. In effect, they would take a different course of action from that espoused by the Government in the second reading speech.

During the second reading debate the Government argued for the abolition of the Hairdressers Registration Board of Western Australia and used similar arguments to those used by the Labor Party when this Bill was before the House previously.

Hon Kim Chance: I look forward to that, Leader.

Hon N.F. MOORE: I shall get some pleasure out of this before I finish, I assure the member. The amendments are contrary to the expressed intention in the second reading speech. Therefore, it is not proposed that the Government will proceed with those amendments. It would be possible for the amendments to become a new Bill in due course. In the event this Bill were agreed to by the House today, a new Bill based on the amendments could be introduced. The Hairdressers Registration Board would be abolished and replaced by a new system of supervision that would be brought into effect by virtue of a new Bill. I do not know whether the House will reject or agree to this Bill. I suspect we will find out in due course. However, in the event the House supports the Bill and the Hairdressers Registration Board is abolished, it would be appropriate for the Minister for Employment and Training to discuss with members the prospect of the amendments becoming a new Bill if that is what the House thought was appropriate. I do not have any instructions from the Minister for Employment and Training that that will happen, but it is an option that could be taken into account down the track.

I read with some interest the comments of members opposing this Bill, particularly those of Hon Christine Sharp, who indicated in a brief speech that the Greens (WA) were generally supportive of regulation as a matter of principle. She then went on to say that a structure needed to be in place in this industry to ensure necessary training standards, adequate consumer protection, proper handling procedures and occupational consumer health and safety, and that employees' conditions of employment must be maintained. In effect, what she said is the reason the Hairdressers Registration Board is not needed. All the things she says are necessary in this industry are being provided by other agencies.

The necessary training standards are ensured by the State Training Board. The State Training Board was set up under the vocational education and training legislation that passed through this House last year and that has put in place a new system of ensuring that courses that are delivered to train people are properly accredited and that when people achieve a qualification from any training provider, the training provider that delivers the accredited program is qualified to carry out the task for which the people have been qualified.

Hon Bob Thomas: You are talking just about off the job training. What about on the job training?

Hon N.F. MOORE: I am talking about all training. All training that is accredited in Western Australia goes through the Training Accreditation Council, which is a subsidiary of the State Training Board. If anybody wants to deliver training, the training program must be accredited. Once it is accredited by the State Training Board it can be delivered by training providers throughout the State, be they publicly or privately funded.

Hon Bob Thomas: As long as they are registered.

Hon N.F. MOORE: Yes, training providers must be registered by the State Training Board as well.

Hon Bob Thomas: To become qualified as a hairdresser people must do more than that training; they must do an off the job component.

Hon N.F. MOORE: That has nothing to do with this. The whole accreditation process is to ensure that the course of training, be it in-house, an apprentice program, or training in a TAFE college, collectively adds up to what people are required to do to be qualified and to achieve that level of accredited training. That system is in place. It is not necessary for there to be a registration board to ensure that people who are hairdressers are properly qualified. I am concerned that some members get the words "qualification" and "registration" confused. It is not necessary to have a registration system for people to be qualified to carry out a particular task. There are many occupations in Western Australia for which people do not have to be registered but in which they can operate as a qualified person. The example I used when I spoke last was that of schoolteachers.

Schoolteachers can teach in Western Australian schools provided they are qualified. However, they are not required to be registered, because there is no registration board for teachers. Some other occupations, like electricians, have a registration board; other occupations do not. We have a multitude of variations from occupation to occupation. It has been generally determined around Australia that registration boards are not necessary for every occupation. What is necessary is properly accredited training, so that people who want to work in an industry or a particular job need to have particular qualifications and once they are qualified they can work in the industry.

Hon Christine Sharp's first concern was for adequate training standards. The necessary training standards are available in Western Australia through the processes of the State Training Board without the need for the Hairdressers Registration Board. The member was also concerned about adequate consumer protection. The job of the Ministry of Fair Trading is to ensure that consumers are protected in Western Australia. We do not need a Hairdressers Registration Board. The people who use hairdressers' skills do not need their interests looked after by a separate board. They are looked after by the Ministry of Fair Trading.

Hon Bob Thomas: How many inspectors are there?

Hon N.F. MOORE: If the member is arguing that we need an inspection board to look after the interests of consumers in the hairdressing industry, he could argue equally as well that we need a board to look after the interests of consumers in every area. That is the logical extension of what the member is arguing. Is it the member's contention that we need a registration board for the consumers of bread, so that their interests are protected?

Hon Peter Foss: Or salami?

Hon N.F. MOORE: Perhaps we need one of those, and the member could argue that. The member could argue, as he did the other day, that we need a board to protect the interests of consumers in every area where there is a consumer.

Hon Ljiljanna Ravlich: What is wrong with that?

Hon N.F. MOORE: That is absurd. The next thing Hon Ljiljanna Ravlich will argue is that we need a board to protect the consumers of fresh fruit. We will have a fresh fruit consumers board! Will we have a board to ensure that the users of motor cycles are protected? We will have the motor cycle users protection board to make sure their interests are well and truly looked after.

The PRESIDENT: Order! If the Leader of the House addresses the Chair perhaps he will not get as many interjections. Members, an undercurrent of conversation is making it difficult to hear what is being said.

Hon N.F. MOORE: Very sensibly, this State has set up the Ministry of Fair Trading to look after the interests of all consumers. Why have a department to look after the interests of consumers and then say that consumers of certain products and services need a separate board? It does not make any sense. If members opposite do not believe the Ministry of Fair Trading is adequate for that job they should fix that up. However, they should not say, because it is their perception that the department is not doing its job well enough, we need a separate board to represent the interests of particular consumers.

We also heard at great length about incidents in certain hairdressing salons around Western Australia. We heard the horrifying story of a lady whose scalp was severely burnt by the misuse of chemicals. That happened while the Hairdressers Registration Board was in place. That is the body members opposite are supporting and arguing should continue in order to stop those things occurring. It is better to ensure that the existing regulatory agencies do the regulating and we abolish the Hairdressers Registration Board because it is not doing its job properly.

Hon Peter Foss: We could have a board to check on the board.

Hon N.F. MOORE: That will happen next.

Hon Bob Thomas: The Victorian industry wants regulations.

The PRESIDENT: Members, order! Minister, please address the Chair.

Hon N.F. MOORE: I am doing my best, Sir.

The interesting thing about this debate is the way some members of Labor Party are beginning to respond as I raise the issues that the Standing Committee on Government Agencies went through in great detail. They feel so embarrassed about having changed their minds that they are now interjecting on me to try to justify their new position.

Hon Bob Thomas: No, we did not.

Hon N.F. MOORE: This issue has been investigated by a committee of this House which unanimously came to the conclusion that we can abolish the Hairdressers Registration Board provided we put in place some safeguards, which I indicated last time around we would put in place.

Hon Ljiljanna Ravlich: We recommended a body.

Hon N.F. MOORE: What is the point of replacing one body with another body? Good grief! It is beyond my comprehension.

Hon Ljiljanna Ravlich: What is the point of having the safeguards and not implementing them?

Hon N.F. MOORE: Hon Christine Sharp referred to occupational health and safety. We have a government department called WorkSafe. Members opposite might not like WorkSafe either.

Hon Ljiljanna Ravlich: I do not like it, because there are too many deaths in the workplace.

Hon N.F. MOORE: Nothing would satisfy Hon Ljiljanna Ravlich. I have never heard anyone so anti-everything as she is and I have been here for a fair while. I have listened to people who are angry about things and a bit anti; however, she takes the cake. She has only been here for a short time.

Hon Tom Stephens: She is a great member, and a great member of the Opposition.

Hon N.F. MOORE: WorkSafe's job is to protect the interests of employees in handling procedures and occupational health and safety. It is beside the point if members opposite do not like that government department - they should want to make it work better. I am sure if members opposite ever became the Government they would make it work better - if they think it needs to work better.

However, it is there for the purpose of ensuring occupational safety and health in the workplace, including hairdressing salons. A Hairdressers Registration Board is not necessary to deal with those issues. We already have a department whose job it is to do that.

Hon Ljiljanna Ravlich: It would be interesting to know how many inspection visits WorkSafe makes.

Hon N.F. MOORE: Hon Christine Sharp raised employees' conditions of employment. We do not need a Hairdressers Registration Board to worry about the conditions of hairdressers when we have the Department of Productivity and Labour Relations, the industrial courts of Western Australia, the award system, and all those other things in place - even unions - to ensure proper conditions of employment for employees. We do not need the Hairdressers Registration Board to worry about that either.

I have gone through all the issues Hon Christine Sharp said were of concern to her which convinced her we needed a Hairdressers Registration Board. I have demonstrated that when one takes all those issues into account there is not one single reason we need a Hairdresser Registration Board to look after the legitimate concerns that she raised. Government agencies already operate at significant expense to the taxpayer to make sure all these interests are protected.

Hon Peter Foss: They are probably better resourced, because the Hairdressers Registration Board is not renowned for its resources.

Hon N.F. MOORE: Regrettably, all it does is collect money from hairdressers.

Hon Peter Foss: And then employs the people who are against its repeal.

The PRESIDENT: Order! I have asked people not to interject. The Attorney General seems to think he can interject when others cannot. Let us be fair.

Hon N.F. MOORE: I listened to members' speeches with a great deal of interest during the second reading debate on this Bill and I have read through their speeches. My interest is obvious, because as I have already explained to the House, this House has already passed this Bill unanimously. Everybody who was here in 1995 or 1996 voted for this Bill. Even more than that, we have had lectures from Hon Tom Stephens and others in this House about the new Legislative Council, the new House of Review, and how important it would be for the Government and for the parliamentary system to have a committee system that scrutinised the Executive and made sure nothing went through this place unless it was properly scrutinised. He has been telling us that every five minutes since the numbers changed in this Chamber.

This Bill went through that scrutiny process. I deliberately brought it here as a Green Bill when I was the Minister for Employment and Training, because it was my view as a member of the Government Agencies Committee for many years that these sorts of issues should come to the Government Agencies Committee as a matter of course. Anything to do with government agencies, such as the Hairdressers Registration Board, should be considered by the Standing Committee on Government Agencies. Therefore, although the advice was that there was support for the abolition of the board, I believed that the Bill should be sent to that standing committee, and it was.

The committee deliberated, travelled and talked to people. It took an enormous amount of evidence and gathered information from people all around Western Australia. It concluded that the board should be abolished. I guess people are entitled to change their minds. I have not heard any argument why they are entitled to change their minds but I suppose they are, because of the circumstances that confront them.

My concern is that a number of members of the Labor Party who were members of the Standing Committee on Government Agencies and who spoke vigorously in this House in favour of the Bill last time, are being told by their colleagues that they cannot do that any more. It appears they have fallen into the trap of being persuaded by those who argue that the industry training council process - the old SESDA model - should be reintroduced; that we must return to a process of regulation; that we must ensure that the unions are actively involved in training; that we must have a tripartite process to ensure that people are trained properly; and that unions must have a legislative role in that.

If that is what members are thinking, that thinking is old hat. It is out of date all across Australia, including in the minds of the members of the previous Federal Labor Government, because when I was Minister for Employment and Training I met with Simon Crean and other federal members at many ministerial conferences, and they were singing the same song: We must deregulate this area of training and registration and let the marketplace and the current processes work because that will deliver the best result.

It is this regulation, the constraints placed on training, and the process of having accreditation that is causing us problems with employment. The harder it is for people to obtain the necessary qualifications, the longer we require apprentices to sweep floors for two or three years before they cut hair; and the longer those requirements are set by law, the more difficult it is for people to become employed in the industry.

The message to employers is, why bother to go through the process if it takes so much time? The employer will have to pay an apprentice a certain wage, and will gain no productivity in return. Therefore, employers are not of the view that employing apprentices is a good idea.

By setting up a training accreditation council we are trying to create an environment in Western Australia where training can be provided in a flexible and contemporary way, quickly, locally; where people who want to go from one occupation to another can do so quickly; where people coming into the workplace can do so quickly by receiving qualifications based on prior knowledge, and so on.

However, with the Hairdressers Registration Board and the training of hairdressers we have a real anachronism. We

sought to fix up that situation. We went through all the necessary processes and this House agreed to the Bill, but for reasons I cannot explain it did not pass through the other House before it prorogued prior to the election.

It has now passed through the other place and has returned here, but those who thought it was a great idea before and strongly supported it have indicated that they will reject it. It will be a shame if that happens, because we will be consigning this profession back to the dark ages of pre-training reform in Australia, training reform which was supported very strongly by the Labor Party at the national level.

Hon B.M. Scott: They are keeping women in slavery.

Hon N.F. MOORE: It is interesting that some women opposite do not understand that point of view.

I conclude by reaffirming the Government's position on this Bill.

When I was the Minister for Employment and Training I gave an undertaking that once the Bill had been passed we would put in place a steering committee comprising people from the industry, to work out how best to utilise the funds currently held by the board and to look after the transitional problems that were clearly explained by Hon Tom Stephens, Hon Kim Chance and Hon John Halden at the time.

I had taken on board their comments and the recommendations of the Standing Committee on Government Agencies; I had given an undertaking that the steering committee would work through those concerns, and that we would not proclaim the Bill until the Government Agencies Committee was satisfied that what was put in place would work in the best interests of the industry. That commitment still stands.

The steering committee has met already. However, if the Bill is knocked out, it will all have been for nothing and we will return to the tired old days of the Hairdressers Registration Board and the tired old pre-training process. It will be the same old board which will exist to benefit only a couple of people. This should be called the "Les Marshall Bill", because I have listened to the rubbish he has promoted over the past five or six years. Anyone who might care to ask him would probably be told that his interest is a vested one.

Hon B.M. Scott: Will it also stop recognition of TAFE?

Hon N.F. MOORE: That may be the case; I do not know.

In the event that the Bill is passed we will ensure that that all happens. At the end of the day the funds should be used to ensure that proper training processes are put in place. The funds should be used also to set up an industry association - a professional association of hairdressers, run by the profession - just like the associations that lawyers, architects, accountants and many other professions have set up. It will be a body which looks after the professional interests of the occupation. By self-regulation it will ensure that people who work in the industry are qualified and operate properly within the confines of the industry; and that if one wishes to be a member of the industry association one must operate within the rules of the association. That is how most professions operate in this country today.

Those bodies are not set up by legislation and are not necessarily compulsory. In some cases they are compulsory. For example, if an accountant wants to retain membership in an accountants association, he must undertake a certain amount of professional development each year. If he does not do that, his membership will be lost. It is self-regulating.

The industry ensures it is looking after its own interests because it is in the interests of the industry to provide the best service for its customers. If that does not happen, no-one will use the services of the industry group. I suggest that the money in the fund could be used to set up a professional association for hairdressers -

Hon Muriel Patterson: Would the board act as an appeals board as well?

Hon N.F. MOORE: I do not know whether it would need to be involved, but it should regulate its own affairs and membership. Many industry groups do that already. It is a simple solution.

If we do not pass this Bill we will retain an antiquated, out-of-date board which will serve no useful purpose. Alternatively we can eliminate that board and put in place a professional association to look after the interests of hairdressers in an up-to-date way to ensure that the customers receive the best service, because the association will seek to achieve that for its members.

I hope the House will support the Bill and that we will move this industry forward one little step. I hope the members who voted in support of it last time will vote for it again this time.

Question put and a division taken with the following result -

## Ayes (13)

Hon E.J. Charlton  
Hon M.J. Criddle  
Hon Max Evans  
Hon Peter Foss  
Hon Ray Halligan

Hon Barry House  
Hon Murray Montgomery  
Hon N.F. Moore  
Hon Simon O'Brien

Hon B.M. Scott  
Hon Greg Smith  
Hon W.N. Stretch  
Hon Muriel Patterson (*Teller*)

## Noes (13)

Hon Kim Chance  
Hon J.A. Cowdell  
Hon Cheryl Davenport  
Hon N.D. Griffiths  
Hon Tom Helm

Hon Helen Hodgson  
Hon Norm Kelly  
Hon Mark Nevill  
Hon Ljiljanna Ravlich

Hon J.A. Scott  
Hon Ken Travers  
Hon Giz Watson  
Hon Bob Thomas (*Teller*)

## Pairs

Hon B.K. Donaldson  
Hon M.D. Nixon  
Hon Derrick Tomlinson

Hon E.R.J. Dermer  
Hon Tom Stephens  
Hon John Halden

The PRESIDENT: In the light of the numbers it falls to the President to cast a vote; I therefore cast my vote with the ayes. However, as members will be aware the standing orders provide for the President to indicate the reasons for his decision. If members examine the "bible" on parliamentary procedure, Erskine May gives some guidance on the way Presiding Officers should cast their vote when that is required. He states in detail, and refers to many principles that have emerged over a long period, that when an opportunity exists for a Presiding Officer to vote for further consideration of a matter and where that discussion is possible he should cast his vote in the affirmative. That is the case in this instance and members will therefore understand the reason for my decision. Those comments will be reflected in the Minutes.

Question thus passed.

Bill read a second time.

## [Questions without notice taken.]

## APPROPRIATION (CONSOLIDATED FUND) BILL (No 4)

*Classification*

**THE PRESIDENT** (Hon George Cash): I draw the attention of the Leader of the House to the fact that sessional orders require the Appropriation (Consolidated Fund) Bill (No 4) to be classified, and it has not as yet been classified. It is open to the Leader of the House to seek the leave of the House to proceed without that classification, but something must happen.

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [5.34 pm]: Thank you, Mr President. I appreciate your assistance in this matter. I seek the leave of the House to proceed with Order of the Day No 11, without classification.

[Leave granted.]

*Second Reading*

Resumed from 11 September.

**HON TOM STEPHENS** (Mining and Pastoral - Leader of the Opposition) [5.35 pm]: I thank members for allowing this debate to proceed! I appreciate the fact that the Government has made available to the Opposition the briefing from its senior officers, and why it was necessary for the Government to introduce this legislation as recently as the beginning of last week in the other House. It was dealt with expeditiously there and passed through the Assembly on Thursday. We took delivery of the Bill that day and now, on the first sitting day after the introduction of the Bill in this Chamber, we are proceeding with the second reading. That is a fast timetable and it results in the appropriation Bills -

The PRESIDENT: Order! Hon Bob Thomas and Hon Tom Helm are interrupting the Leader of the Opposition's speech.



Hon TOM STEPHENS: I note that appropriation Bills Nos 3 and 4 are effectively out of sequence in this House, but that is of no consequence because it is important that this legislation be dealt with expeditiously and that the Government be given the opportunity to ensure that the Bill becomes a Statute.

The Bill is designed to address the effect of the recent High Court decision which held that the Parliaments of the States had no power to levy business franchise fees on tobacco. The decision also means that the fuel and liquor franchise fees are invalid. The Bill appropriates money for transport and health purposes to maintain funding levels, and for subsidies to fuel companies and wine producers to offset the impact of commonwealth excises that will now flow. The Commonwealth is to provide funding to compensate the State for the loss of revenue as a result of the High Court decision.

The Opposition supports this Bill to help overcome the immediate impact of the court's decision. Although we accept that this decision is necessary in the short term, we hope it will be the catalyst for an open debate on tax and commonwealth-state relations. An open debate on these questions definitely is needed because this Parliament, and indeed the Western Australian community, has regrettably been sidelined from these issues because the Government still has not come clean with its own proposals about tax and commonwealth-state financial relations. We know that like its Canberra counterpart, the State Government has indicated it would like to see Western Australians pay a goods and services tax. Regrettably, the Government has not yet allowed the dreaded GSMT to pass its lips since its last attempt to pass on this tax to Australians in 1993.

Hon Derrick Tomlinson: What is GSMT?

Hon TOM STEPHENS: All I am referring to is the three letters. I am basically urging the Government to come clean and start talking about its proposal for a GST.

Hon Derrick Tomlinson interjected.

The PRESIDENT: Order!

Hon TOM STEPHENS: It is not surprising that the Government is hiding its true intentions from the people of this State.

Hon N.D. Griffiths interjected.

Hon Derrick Tomlinson interjected.

The PRESIDENT: Order! Perhaps Hon Derrick Tomlinson and Hon Nick Griffiths might like to move outside and continue their conversation.

Hon TOM STEPHENS: Regrettably the Government hides its true intentions, as it did so recently with the way it deceived the goldmining industry in the lead up to the last election, when senior Ministers denied any plans to implement a gold royalty. Clearly, we now have the gold royalty in a somewhat diluted form, but it is still a very potent disincentive for one of our State's key industries. That is to come on top of the pressure the industry will experience when the European central bank's gold bullion sales proceed, as had been foreshadowed in *The Australian Financial Review* to which I referred in the question which earlier today I asked the Minister for Mines. The trouble with the expression "tax reform" is that it means different things to different people.

Hon Muriel Patterson: Good sound thinking.

Hon TOM STEPHENS: Tax reform?

Hon Muriel Patterson: No, GST.

Hon TOM STEPHENS: We have there a backbencher at least being forthright. Does the member have in mind a state or commonwealth GST?

Hon Muriel Patterson: I certainly want a commonwealth one.

Hon TOM STEPHENS: If the Commonwealth is not forthcoming, is it State Government policy to introduce one of its own?

Hon Simon O'Brien: The power to raise sales tax resides with the Commonwealth.

Hon Max Evans: Or the High Court!

Hon TOM STEPHENS: Yes.

The PRESIDENT: Order!

Hon TOM STEPHENS: As I have said, tax reform means different things to different people. Some government members are supportive of the GST. It may be only one faction of the Government, but I would like the Government to be forthcoming on its policies on tax reform.

Hon Simon O'Brien: I might put a motion on notice about this subject.

Hon TOM STEPHENS: I have a motion somewhere on notice on this issue, which calls for the tabling of documents and which will give us some clarity of what is going on in the mind of the Government.

Hon Simon O'Brien: I can come up with a better motion.

Hon TOM STEPHENS: Hon Simon O'Brien has the opportunity of passing my motion, and then I will see about his. We will then have the opportunity of knowing what is in the bowels of the Government.

Hon N.F. Moore: That is not where ideas come from.

Hon TOM STEPHENS: I am not sure where they come from on the government benches, but wherever they come from I would like to know what is going on with policy formulation about tax reform for this country. As we are dealing with the Appropriation (Consolidated Fund) Bill (No 4), now is as good a time as any for the Government to provide us with some insights into its tax reform agenda. To farmers tax reform means lower fuel costs, which so often has been the key to their agenda; to the States it can mean a fixed share of commonwealth revenue; to big business it can equate to the abolition of payroll and other taxes, not the least of which are some of the iniquitous taxes which are regrettably impacting adversely on much of my electorate; to most PAYE taxpayers it means paying less tax in whatever form available to them. Those are all the mutually conflicting strategies of the various components of the Australian community as they tackle the concept of tax reform.

Hon Muriel Patterson interjected.

Hon TOM STEPHENS: Members opposite are very foolish indeed if they want to advance the GST. Some of the member's colleagues are familiar with the reasons that it is a foolish proposal and what damage it can do to the community, let alone their own party when it faces the next state and federal elections.

Hon N.F. Moore: You are the most conservative person I have ever met. You will not change anything, no matter how bad.

Hon TOM STEPHENS: I am deeply wounded by the accusation of Hon Norman Moore.

Hon N.F. Moore: You are an arch-conservative.

Hon TOM STEPHENS: That accusation is most damning.

Hon N.F. Moore: You should read what it means and you will know that it applies to you.

Hon TOM STEPHENS: I have often said to Hon Norman Moore, the Leader of the House, that he is the most deeply conservative person whom I have ever met.

Hon N.F. Moore: Compared to you, I am a radical.

Hon TOM STEPHENS: In a moment I will argue the case on the tax reform strategy, which will show that is not so. Hon Norman Moore's Government fails to understand the nature of the State's economy, when the Government presses on with this strategy of urging the Federal Government to undertake a tax reform based on a GST. It particularly fails to understand the role of small business in providing employment for Western Australians.

Hon Ken Travers: It did the same with the gold tax.

Hon TOM STEPHENS: Indeed.

Hon N.F. Moore: You brought in the gold tax; we brought in a royalty.

Hon TOM STEPHENS: That royalty has a very damaging impact on the State's economy. The introduction of that gold royalty shows the failure of this Government to appreciate the full significance of that industry to the economic structure of this State, as it has failed to understand the significance of small business to the economy of Western Australia by pressing on with its support of the GST. The citizens of Western Australia are increasingly rising up, in the assessment of most impartial observers, against the Howard and Costello GST proposal, and will become more vocal as time goes on. The GST will hit Western Australian businesses very hard indeed. Every little corner store and business in our region will bear the burden of the GST compliance costs, which they will of course have to pass on to their customers in order to survive.

The Government ducks and weaves on the GST issue, but I can assure the House that the Labor Party will firmly oppose this tax because it is unfair to families on low and middle incomes and is destructive of small businesses.

Hon M.J. Criddle: What tax reform will you introduce?

Hon TOM STEPHENS: I will come to that after I have dealt with the issue of the GST. The Liberal Party claims that there will be no overall increase in the tax burden and that any new system should involve major reductions in personal income tax, especially for families. What the Federal and Western Australian Governments will not and cannot guarantee is that any low or middle income PAYE taxpayer will not be worse off with a GST. Both Governments know that the guarantee cannot be given because most people will be worse off, taking into account their total taxation payments of GST plus income tax.

Hon Simon O'Brien: How can you guarantee that? We cannot guarantee that anyone will be worse off. How can you guarantee that a whole group will be worse off?

Hon TOM STEPHENS: By virtue of the required rate for GST in order to effectively replace the tax reductions which the Government is advocating in various other forums of the tax debate.

Hon Simon O'Brien: You are aware of patterns of expenditure in the community. For example, people are paying 32 per cent on television sets at the moment.

Hon TOM STEPHENS: If the member sits back for a while and allows himself to be persuaded by the cogency of my argument he will reverse his support.

The Australian Consumers Association recently published a study which confirmed that income tax cuts in exchange for a GST would leave battling families, the poor, single parents and the elderly worse off and that the only winners would be people on incomes that were way above average weekly earnings.

The reason that a GST is unfair on the poor is simple: What they earn is what they spend. Families on low and middle incomes do not have significant amounts of discretionary income that allow them to choose whether to spend or not spend. The impact of that reality is that those sections of the Australian community will be hurt first and hurt the hardest because, unlike the rich, they have little or no money left after paying for their rent or mortgage, their household bills, their food and clothing, and the education expenses of their children.

Hon Bob Thomas: Or their pharmaceuticals.

Hon TOM STEPHENS: Yes, and their medical expenses and all the other expenses on which the poorer sections of the community find all of their money immediately soaked up. Given that the Government cannot promise that any reduction in their income tax will be equal to or greater than the new tax that they will pay on everything they buy and every service they use, many people will be much worse off. This will be particularly tough on pensioners and other people on fixed incomes, since international experience has shown that any compensatory measures are generally overtaken by either inflation or subsequent increases in the rate of the GST.

That brings me to an experience that I shared with you, Mr President, my colleagues Hon Norman Moore, Hon Barry House and Hon John Halden, and my former colleague Doug Wenn.

Hon Barry House: Does it have anything to do with the High Court?

Hon TOM STEPHENS: It has a little to do with the High Court. I refer to our visit to Canada as members of the Standing Committee on Government Agencies, where at least half the delegation was blessed with a lesson on the GST from a Toronto taxi driver. We all know the wisdom that lies in the hearts, minds and language of the taxi drivers of the world. From the point where we were picked up by that Toronto taxi driver to the point where we were dropped off, we were told in no uncertain terms exactly how devastating the GST equivalent was upon the Canadian community.

We must all find it a salutary lesson to recall the political misfortune of those Governments in Canada that were associated with that type of tax reform. The introduction of a GST by those Governments of the Canadian Provinces and by the Canadian national Government led to a decrease in the majorities of those parties, to the point where the Conservative Party that introduced the GST went from occupying the government benches to having only three representatives in the Parliament after the colleagues of our tour guide through the streets of Toronto had finished venting their spleen upon that offending Government.

Hon Barry House: Is it safe to assume that that taxi driver did not vote for Mr Mulroney?

Hon TOM STEPHENS: I think it would be safe to assume that that taxi driver did not vote for Mr Mulroney, nor, it would appear, did many of his countrymen, because when the first opportunity arrived to put their hands on that

Government, they unceremoniously showed it the door and dealt it a blow that cast judgment upon that type of tax reform.

Hon Muriel Patterson: Do you realise just how much tax we pay now on goods - between 22 and 30 per cent?

Hon Bob Thomas: On the wholesale price, not the retail price.

Hon TOM STEPHENS: I am very conscious that the impact of the taxes that apply will be made much worse by the introduction of a GST. That adverse impact will not be experienced by the likes of Hon Muriel Patterson, because of the many levels of income that are typically available to Liberal members of this House from their various financial interests.

Hon Muriel Patterson: We are good managers.

Hon TOM STEPHENS: Those of us who represent electorates in which low income people predominate know that this initiative will have an adverse impact upon our constituencies, and it is for that reason that the Labor Opposition strenuously urges the Government to enter into this debate honestly and openly and to reveal its strategies. The debate on appropriation Bill No 4 is as good an opportunity to do that as any.

Ironically, some of the worse hit sectors of the community will be those people whom the Government claims as its supporters - small business people. One of the points made by my good friend the Toronto taxi driver was that a GST will impose an immense new administrative burden on small business. The existing wholesale sales tax is collected in Australia from about 70 000 collection points. A GST will have 1.2 million collection points and will virtually turn every small business into a branch of the Australian Taxation Office.

It is also worth comparing a GST with the experience of the European value added tax, which tells us that the compliance costs of a broad based consumption tax as a percentage of the turnover of a business are disproportionately higher for small business compared with big business - in fact, some 30 times higher.

A GST was introduced in Canada in the 1990s under a Conservative Party Government; and I have told the House how that annihilated the Conservative Party in the 1993 federal election. It was not surprising that the incoming Liberal Government in Canada placed the abolition of the GST among its key policy platforms and is moving to reform indirect taxation regimes. However, just as that Government is moving in that direction, the state and federal conservative coalition Governments in this nation are heading in the opposite direction.

Hon Bob Thomas: Was there any flow on from the Federal Government to similar parties at state government level?

Hon TOM STEPHENS: Yes. The provincial Governments that supported and collaborated in the GST were also, as I understand the election results, dealt savage blows by the electors of that country.

The Canadian Institute of Chartered Accountants has published a paper on the operation of the GST and other retail taxes in that country, and the following extract may interest those members opposite who think that they can aid and abet their federal counterparts to introduce a GST with impunity. Chartered accountants are not known for their intemperate or exaggerated language, as I am sure the Minister for Finance would agree, but this report captures the essence of how small business in Canada feels about a GST. It states -

While taxes by their very nature are unpopular, the GST appears to create more anger among Canadians than any other tax. While it visibly reaches into consumers' pockets like provincial sales tax, it is perhaps the timing and manner in which the GST was introduced that makes the three letters "GST" among the most despised in Canada.

The one segment of the business community that continues to express anger with the GST is small business. Their prime concern, often voiced by the Canadian Federation of Independent Business, is the amount of paperwork required to comply with the GST. Studies have consistently demonstrated that the burden of compliance costs is disproportionate on small business. For example, a 1993 study showed that businesses with revenues under \$200,000 had compliance costs that were six times higher as a percent of sales, than businesses with sales between \$500,000 and \$1,000,000. While this study did not examine compliance costs for very large businesses, international research has shown that compliance costs continue to decline on a proportionate basis for large businesses.

It is no wonder that big business has less of a problem with GST. After all, it can employ the accountants and the paper shufflers it needs to comply with the tax regime. It can also afford the fancy computers and cash registers to record the transactions and calculate the tax.

Canada is the home of some of the world's largest companies that enjoy the economies of scale that many small to medium size businesses in this State cannot enjoy.

Hon Ray Halligan: Does that mean Tony Blair will repeal the VAT?

Hon TOM STEPHENS: It will be very interesting to see what happens to the tax regime in Great Britain now that Thatcherism is so well and truly dead.

Hon Barry House: He is committed to not doing that.

Hon TOM STEPHENS: It will be interesting to see the eventual mix of the tax regime in Great Britain. We have recently seen the referendum in Scotland and the potential impact that will have on the tax regime of that part of Great Britain. A similar referendum is to be put to the people of Wales. There will be a change in the overall tax regime in that country, and exactly how that manifests itself remains to be seen.

*Sitting suspended from 6.01 to 7.30 pm*

Hon TOM STEPHENS: The Deputy Premier has claimed that the GST has failed because it was not marketed properly. I hope this is not an indication that taxpayers' funds will be made available for a slick marketing campaign aimed at convincing the taxpayers of Western Australia that the GST will somehow be good for them.

The Western Australian small business constituency will not buy the GST when it was so solidly rejected in 1993 and while its Canadian counterparts continue to express anger about it. For as long as those business people understand the impact of a GST, it will not gain their support. The coalition thinks its stocks with small business people are so high that it can squander them trying to convince those people that a GST is good. I hope that members opposite do not think that the unemployed, those suffering job insecurity and those with sapped economic confidence will embrace a new tax on the essentials of life. The GST is a tax on low income earners. The community understands that and will never support it.

The Opposition is determined to engage in a serious debate about tax and commonwealth-state financial relations but not under the guise of the coalition's GST agenda. That agenda is all about shifting the tax burden from the well off to the poor and middle income earners. Members on this side want the Government to engage in an open and constructive debate and to consult about the need for tax reform.

The Opposition supports the passage of this Bill. The Opposition also appreciates that officers were made available to explain the detail of the Bill and the reasons it should be given a speedy passage.

Members on this side know that the Government has a small number of agenda items that it would like dealt with this week. Therefore, we are very happy for the House to extend the sitting hours to midnight tonight and tomorrow night to get through that legislative program, and thereby leave open the opportunity to deal with the one item of business the Opposition wants debated; that is, my motion about native title.

**HON HELEN HODGSON** (North Metropolitan) [7.35 pm]: This Bill is obviously based on the difficult High Court decision of *Ha and Hammond*, which raised a number of constitutional issues and put the States in a very difficult position. I have lectured in this area, so I know how the definition of excise developed. When I started lecturing on this topic 10 years ago the definition was very confused, but at least people knew the rules. State Governments were able to set up franchise fees, licensing arrangements and so on and people knew the settled law, more or less.

Since then a number of interesting cases have taken the law much further. It is common knowledge that the States use various devices to circumvent the constitutional position that they cannot levy an excise; that is, a tax levied at some point in the cycle between production and sales. Those devices relate licence fees to previous sales, calling them licences or franchises. In fact, the States found a number of methods to ensure that they had some way of raising revenue.

In the 1990s we saw some developments in this area of law. The first of the significant cases was the *Capital Duplicators* case, which dealt with X rated videos in the Australian Capital Territory, and a related case was *Rainsong*. In 1993 the High Court looked at the substance of the arrangements as opposed to their form. It said that the arrangement the ACT was trying to introduce was not constitutional. At the same time, it said that the only reason existing franchises were not challenged was that there would be a severe impact on the States' revenue bases, which relied on the collection of these fees and charges. Although the court did not overturn the charges in 1993, State Governments have been on notice that, as soon as someone else took up the open invitation to challenge the fees, that would happen.

Hon Max Evans: The Federal Government was put on notice but did nothing about it.

Hon HELEN HODGSON: The State Governments were constitutionally at fault for levying the charges. It was not surprising that someone took up the challenge and that it was successful. The consequence has been a huge hole in the finances of every State in the Commonwealth and, of course, that does not exclude this State. It is commendable

that the Federal and State Governments have put in place the safety net strategy. Contingency plans were being developed at the time the case was being heard and they are now in place.

It is unfortunate that there has been some confusion in commercial circles about the implications of the safety net arrangements. I was in New South Wales the weekend after the decision was handed down. The big fuss there was about increased liquor prices. Everyone started to scream blue murder. Since then it has been suggested that tobacco companies will continue to manufacture but will stop supplying and distributing cigarettes because they are not sure of their position. As a non-smoker that does not worry me too much, but some people would find it difficult to deal with prolonged withdrawal of the distribution of tobacco.

It was important that these areas be dealt with quickly. The three areas affected under the state licensing arrangements are tobacco, alcohol and fuel, and the safety net put in place is to ensure the federal regime will collect these revenues. Tobacco and fuel charges are collected in the form of an additional excise, and alcohol charges are collected in the form of a sales tax. The collection is being handled by the Federal Government, but that has created other problematical issues because under the Constitution the Federal Government cannot impose a tax regime that discriminates against or gives preference to some States. Both these provisions are specifically covered under separate sections of the Constitution. It meant the system the Federal Government put in place had to apply equally across all States and parts of States. Therefore, unequal taxing rates levied at a state level must be replaced with an equal taxing regime across the country levied at a federal level.

It has obviously taxed the minds of various Governments and their advisers to come up with practical arrangements that will work. That is the guts of the Bill with which we are dealing. There was also a commitment that the amount of tax being charged could not be increased. The Federal Government is now raising tax, and the State Government must reimburse people who previously were paying lower rates of taxes than the Federal Government is now raising. It is a tripartite arrangement involving taxpayers, the State Government and the Federal Government.

I will now embark on one of my concerns with the process. Although I recognise the need for prompt action on this Bill, and I commend the Government for dealing with it as quickly as possible, it is difficult to scrutinise a Bill when the Parliament does not have before it the details of the reimbursement arrangements. Normally when taxing provisions come to this place, they are accompanied by an assessment Bill which identifies who will be affected and how the arrangement will be managed. That is not the case today because of the urgency of the situation. I understand it is being handled by agreements between the parties who are receiving the subsidies as reimbursements. However, I am concerned that this House has not seen those agreements, and I ask whether a sample agreement could be tabled so that members can see what arrangements are being set in place between the State and the taxpayers. I urge the Government to introduce the legislation backing this subsidy arrangement as quickly as possible so that members can scrutinise it. This appropriation will last for a six month interim period and I hope that well and truly before that time, members will have an opportunity to scrutinise the provisions governing the reimbursement of subsidies so that they can ensure they are equitable and everybody is treated fairly.

Hon Max Evans: This Bill takes the reimbursements not for six months but to June 1998.

Hon HELEN HODGSON: I understand it is a six month appropriation. That is my major concern with the way the Bill is being handled.

With regard to the detail of the Bill, the subsidies this House is being asked to approve relate to areas where the state taxes were less than the federal taxes, either because items were exempted or because the rates were lower. Three items are involved: Off-road diesel fuel rebates, cellar door sales and low alcohol sales. In those cases the only practical way to deal with the reimbursement, because it is a tripartite arrangement, is by a subsidy paid directly from the State to the taxpayer. Normally if it were the State's taxing regime, it could be done by rebate and there would be no backward cash flows. However, in this case I accept that because of the arrangements this is the only way to deal with it.

The second issue raised is the problem with liquor franchises, which have been prepaid as a state tax and will also be collected in arrears as a sales tax. People would be prone to double taxation if it were not dealt with. I agree with the solution adopted; that is, allowing an amount to repay the fees paid in advance.

An amount appears in the Bill under Main Roads. I was curious about that because I know that there was publicity some time ago when the Minister for Transport had a wish list and wanted more fuel taxes so that more roads could be constructed. I wondered whether this Bill was a backdoor way of providing those additional funds. However, I am satisfied that the fuel excise which previously was appropriated directly to Main Roads and Transport will be replaced by this amount. I am willing to concede that no extra amounts are being funded, and the Minister is not getting anything of which this Parliament is not aware.

The Health Promotion Foundation will receive an appropriation in respect of the tobacco franchise for the same

reasons. These amounts were previously available through tobacco franchises, and will now be made available through Treasury. The administration costs concerned me a little, simply because there are two amounts. It is hard to work out who is paying what. I accept that the State will be charged for the Federal Government's administration of the scheme. I wish it were not so but it appears it is, and that amount will come from Treasury, whereas direct administration costs of the alcohol subsidy arrangements will come from the budget of the Office of Racing, Gaming and Liquor.

In summary, one of the important features of the Ha and Hammond case was the impetus towards tax reform. Most members will recall that in my inaugural speech I placed on the record that I shall be watching taxation reform very closely. I was interested to hear the Leader of the Opposition raise all the arguments about a goods and services tax. The GST is being raised as a furphy in this respect. We need wide ranging debate on tax reform, and GST will be part of that debate, but the focus should be on federal-state relations. There is a problem with vertical fiscal imbalance. The Federal Government is raising the bulk of the funds, the State Government is spending nearly half of government expenditure throughout the country, and there is the ridiculous situation whereby the State Government cannot count on the funds. The allocation must go through the grants process each year, and it is a political process. It is very difficult for the Government to administer proper ongoing funding programs when it must go through a political process year by year. It is inappropriate to have such a highly centralised funding situation. Given the constitutional structure of this country, I have no solution to that. We should be moving away from the grants process as the key means of distributing funds among the States. A means must be developed which is more equitable and more predictable and allows the State to budget, knowing exactly what is going on. The Australian Democrats are looking at the tax reform issue internally. I am not yet allowed to release our final position on it. I am sure that will come from a higher authority than me. We are looking at tax reforms, the goods and services tax and state-federal vertical fiscal imbalance. At the appropriate time we will be ready to take our part in the debate.

As an aside, a couple of weeks ago the state grants Bills were discussed in the Senate. The Australian Democrats moved an amendment in that debate to try to protect the rights of the States. Where an independent auditor is in place, as is the case in Western Australia, we were trying to ensure that moneys could not be withheld from the States. That amendment was voted down by a combination of the coalition and the Australian Labor Party. The Australian Democrats are looking at this issue and taking it seriously as part of the whole tax reform debate. We support this appropriation Bill. We have looked at the issues and the mechanisms used to deal with the unfortunate consequences of the High Court case. We will be pleased to see the Bill pass through this House.

**HON BARRY HOUSE** (South West) [7.53 pm]: The decision of the High Court of Australia on 5 August had the potential to impact severely on the wine industry, in particular. As we know, the wine industry is very important to Western Australia. Although it caters for only about 2 per cent of national production, it produces about 25 per cent of premium bottled wine throughout the nation; that is, wine selling for \$15 or more a bottle. It accounts for about \$10m in exports. It is a very significant industry, particularly in the south west of Western Australia, throughout the Margaret River, Pemberton, Frankland and Mt Barker areas, as well as in the Swan Valley.

Hon Mark Nevill: I am doing my bit to help.

Hon BARRY HOUSE: So am I. It is pleasing to note that the wine industry in Western Australia has achieved not only national, but international recognition. In the past three or four months it has been very encouraging to see some of the big players in the wine industry moving to the south west of Western Australia. SouthCorp Wines Pty Ltd has bought the Devil's Lair Vineyard, just south of Margaret River; BRL Hardy Wine Company has bought Brookland Valley Vineyard Pty Ltd, which also has Flutes Cafe; and there are rumours that Mildara might also be interested in having a presence in the south west. All that augurs very well for the Western Australian wine industry.

Prior to 6 August, the wineries were taxed at a rate of 26 per cent on cellar door sales. Under the new arrangements commonwealth government sales tax will be increased by 15 per cent to 41 per cent, with the State being refunded the 15 per cent to make up a loss in state revenue. Cellar door sales will be taxed at the full 41 per cent rate, rather than at the previous level of 26 per cent sales tax. This is after the Commonwealth Government has agreed to levy the tax.

The impact of that would be enormous if it was not covered in some way. I will give an example of how it will impact on couple of wineries with a presence in Western Australia. First, Evans and Tate has two cellar door sales facilities in the Swan Valley and at Wilyabrup. With the company grossing about \$700 000 per annum and netting \$120 000 per annum, this company estimates the new 15 per cent tax will cost it about \$105 000 gross. Secondly, Vasse Felix grosses over \$1m in cellar sales, with mail order sales grossing approximately \$500 000. The increased tax will have a huge impact on that business. Those are only two of the 100-plus wineries throughout Western Australia. Many of them also have associated restaurants and tasting facilities. If the increase is not recovered, it will be devastating on all of those businesses, of which not all are the big players. In fact, most are family concerns and small players in the game.

The response of the Government has been swift, which is very pleasing to note. I am led to believe on 11 August Cabinet agreed to pay the rebate to wine producers for genuine cellar door sales to offset the 15 per cent sales tax surcharge. The Government also invited the wine industry of Western Australia to produce a submission to follow up the issues. I will briefly summarise a comprehensive submission which was provided to a group of coalition parliamentarians last week by Bill Mackey, the president of the Wine Industry Association of WA.

The association is seeking the reinstatement of the WA Government 15 per cent rebate for all cellar door sales, including mail order and restaurant sales. As I have already mentioned, 30-odd vineyards in the Margaret River region, the Pemberton region and across towards Mt Barker have restaurants associated with them. The association is seeking the reinstatement of the previous tax position by rebating the full 15 per cent wholesale sales tax increase on all applications for own use and it is seeking the reinstatement of the previous tax position by rebating the full differential of the wholesale sales tax increase; that is, 1.14 per cent to wholesalers. The timing of rebates is important for the cash flow of wineries.

The association is seeking a commitment from the Western Australian Government to provide all rebates to wineries on the same day as the wholesale sales tax remittance is made from the Commonwealth to the State. It is seeking support from the Government in discussions with the Federal Government to negotiate a deferred wholesale sales tax liability, in recognition of the significant impost on cash flow caused by the changes to tax collection. It is seeking support from the Western Australian Government to reinstate the former small business exemption threshold on wineries, which I understand was \$38 000.

This submission has been discussed extensively with Treasury officials, I understand, and the association was led to believe that it would be discussed in Cabinet yesterday. In his summing up, perhaps the Minister for Finance can indicate whether that is the case and whether some comfort can be provided to the wine industry on those issues. In conclusion, the wine industry is one of the most severely affected by this decision. It is a very important infant industry, in a sense, but an extremely important industry because it is aiming at the premium end of the market. We can be very proud of what has been achieved in Western Australia in the space of 25 to 30 years in this industry. I would hate to see something which has been pretty much out of our control impacting in a negative way on our wine industry.

**HON MARK NEVILL** (Mining and Pastoral) [7.59 pm]: This Bill is proceeding at record pace. It is hard to keep up with it at my age!

Hon Barry House: You have not reached preservation age.

Hon MARK NEVILL: I want to make a few comments tonight on what I see as the need for a press ombudsman in Western Australia. We have only one major daily newspaper in Western Australia and it dominates the media in this State. The radio stations feed off *The West Australian*. From time to time I have had my gripes about that paper, but I am not one of those people who ring up the editor or complain to journalists. I just grit my teeth and bear it. I believe a press ombudsman could perform a useful role.

One of the problems with such an appointment is that the ombudsman is usually employed by the newspaper which pays his salary, so he is not always seen as independent. The function of the ombudsman in a number of newspapers in the United States is to represent the readers' views. Ombudsmen spend a lot of time on the telephone listening to readers' complaints. They often have a column in the newspaper. I was reading one of the columns by an American ombudsman when I got the call to speak in this debate. This article is by John Sweeney, who is a public editor, or ombudsman, at the *News Journal*. The headline on the article is "Reporter crossed the line he must not cross. But where were his supervisors during all this?" It talks about the *News Journal* losing a good reporter in the previous week when he resigned because of his involvement in an undercover operation on which he then reported.

The ombudsman as the representative of the readers sometimes needs to be critical of the publisher and the editor. Recently when I was coming back from the Kimberley I was reading the autobiography of Richard Nixon. I suppose one could not expect that to be objective. Harry Truman once said that Richard Nixon could lie out of the left side of his mouth and lie out of the right side of his mouth, and if he ever caught himself telling the truth, he would lie to keep his hand in! In his autobiography Nixon spends a fair bit of time on the Watergate affair. The publisher of the *Washington Post*, Katharine Graham, set out to get Nixon. That campaign lasted a couple of years and in the end the *Washington Post* was successful. Nixon thought that he was pursued unfairly. He also pointed out that both political parties indulged in bugging each other's activities and it was fairly commonplace. The problem was the Republicans got caught when they broke into the Democrats' campaign headquarters in the Watergate Hotel in Washington.

Cases do arise where editors or publishers pursue issues unfairly. I have been dismayed over the last eight years with the terrible press Hon Julian Grill has had during the police investigation of his activities. Invariably there is a mug



shot of him with his face screwed up and his hair hanging over his forehead. The Press has not used that shot in the last two years very often, although I have seen it occasionally. Lo and behold, last week when there were two articles in *The West Australian* relating to him, one on the front page and one inside the newspaper the next day, out came that mug shot. It must be about 10 years old. I would have a genuine complaint about the use of photographs by *The West Australian*. When *The Western Mail* was alive and well I thought it was often amusing when the lead story in one newspaper appeared on page 48 in the other. The public started to get an idea of how much weight was attached to a lead story. When there is only one newspaper, one thinks the lead story is the most important issue around. After a while one realises that that is the weight the editor gives to a story which gets on the front page; it is not necessarily the most important story.

There is only one newspaper to criticise here. The ombudsman could provide a bridge between readers and the editor. I think the editor is far too busy to take many of the calls to the newspaper. He is far too busy to read all the letters to the editor; I am sure someone else does that. Getting the paper out would consume most of his time and energy. The ombudsman could redress issues where journalists have made mistakes. They are not always corrected. If one could show the ombudsman there was a genuine error, that might be a way of getting some redress. It would be very difficult for the ombudsman to criticise his own editor and journalists, but from time to time that is required.

There are benefits to be obtained. It would increase public access to the newspaper and improve the newspaper's accountability to the public.

Hon Max Evans: Have any parts of the Commonwealth got this?

Hon MARK NEVILL: No, there is no press ombudsman in Australia. In 1989 *The Sydney Morning Herald* experimented with an ombudsman for a short period. I think it was George Metherall QC, but he did not last long. Press ombudsmen are not common in US newspapers; small papers cannot afford to employ an ombudsman.

Depending on whether the ombudsman is doing his job, he can perform a useful public relations function. The ombudsman can monitor community sentiment and often quell possible legal action. I refer to a paper by Roger Simms, who is the Chair of Journalism at Murdoch University. It is entitled "A look at US newspaper ombudsmen" and it was published in November 1995 in the bulletin of the Pacific Area Newspaper Publishers Association. In respect of legal action, he says -

Other research shows one of the main reasons people sue for libel is because news organisations treat them rudely when they complain and it follows that an ombudsman who treats complainants courteously and investigates their complaints thoroughly may stop them from filing libel suits.

I am sure there is a possible saving in that area for the Press.

Hon Max Evans: You could discuss with some members of this House whether or not they should sue the Press.

Hon MARK NEVILL: In that case I thought it appropriate to give evidence for the Press, but fortunately it did not come to that.

As I say, an ombudsman can run a column which gives an account of what is going on and of different issues that for whatever reason, especially where we have only one newspaper in the State, may not be forthcoming. Obviously there are arguments against an ombudsman. It is not a cure-all. I can understand that many people would not support the idea.

The first question to be asked is how independent would ombudsmen be if they were paid employees of newspapers. A survey of ombudsmen was published in a United States article, which sheds some light on what the ombudsmen themselves feel about those sorts of issues. Some people say that their establishment hinders the communication link between readers and the editor. However, editors would not really have a lot of time to deal with the public and letters to the editor. Many people like me would not want to impose on the editor's time with their complaints and would probably feel that there would not be much point in it. In recent years I find myself agreeing less and less with *The West Australian* - I do not know whether I am getting old and conservative or what.

Hon B.M. Scott: It is biased.

Hon MARK NEVILL: I would not say that it was biased.

Hon B.M. Scott interjected.

The PRESIDENT: Order!

Hon MARK NEVILL: I have difficulty with issues like the Council for Aboriginal Reconciliation and Mabo. Aboriginal reconciliation means nothing to the Aborigines in my electorate, except a few of the people involved in

the hierarchy of the system. The process is a waste of time and money and is a failure. One would believe from *The West Australian* that there were no problems with Mabo and that the Native Title Act was working wonderfully well. I have never seen what I would call a really critical analysis of the Native Title Act. It does not matter whether members believe in native title or not; I am talking about whether it works and how it might be improved. I find the articles fairly emotive and not very informative. I do not see that as a matter of bias but probably just a different view.

Another criticism one could raise against having a newspaper ombudsman is that it would deter journalists from taking on rather risky articles through fear of being publicly criticised in the column. The ombudsman can comment on internal newspaper issues and politics, which obviously exist and would be fair game for the ombudsman. We already have the Press Council, the Media, Entertainment and Arts Alliance and the Australian Broadcasting Authority. I do not believe that those bodies offer a quick response at a local level which one might be able to get from a fairly objective ombudsman. The ombudsman could do a lot to make the newspaper a lot more sensitive to readers' views and opinions.

A paper by Maggie Thomas is the result a survey of ombudsmen who attended a convention in Fort Worth, Texas, in May 1995. I have highlighted a few issues. It reports that half of the participants in the study indicated that they spent a quarter to almost a half of their time at work talking to readers on the telephone. Eighteen, or 56 per cent, of the ombudsmen reported that they wrote a critique each week and 38 per cent said they did not write a critique on the newspaper for the staff. To whom do they report? Some 63 per cent report to the editor and 38 per cent report only to the publisher. They were asked how secure is an ombudsman's job when the ombudsman is employed by the paper. Three-quarters of the respondents said that they had never been reluctant to express an opinion because they thought they might get fired; 16 per cent said that they were almost never reluctant to speak out; 6 per cent said that they were reluctant occasionally. They seemed to have a fairly free rein. Almost 70 per cent of the ombudsmen reported that they had duties additional to their responsibilities as ombudsmen. It is not as though the newspapers pay their salaries each week for them to listen to disenchanted readers. Some of their other duties involve being an editorial writer, recruiting, budgets, salary administration, writing media analyses, managing reader services, liaising with libel lawyers, assisting the editor, being an unofficial newspaper historian and being a writing coach. They had a whole series of other duties in the paper.

The ombudsmen ranked in order the most common complaints that they received. First was the liberal bias in the presentation of news, which means the American small-l liberal Democrat bias of the news, followed by basic errors in stories, headlines being wrong or misleading, complaints expressed by local columnists, sports coverage complaints, placement of stories, racial sensitivity, opinions expressed by national columnists, gender sensitivity, business news and religious news, and it drops off after that.

The respondents also ranked on a scale the importance of the duties they performed. The most important duties that ombudsmen thought they performed were, first, listening to readers; second, making the staff sensitive to the feelings of readers to help make the paper more responsive and accountable; third, explaining to readers why the newspaper does certain things; fourth, presenting readers' views to editors and the publisher to help make the paper more responsive and accountable; fifth, defusing the anger of readers, which may avoid potential litigation; sixth, listening to staff members. That list goes on as well.

A lot depends on the person employed to do the job. I do not know that it would make a dramatic and great change in a paper such as *The West Australian*. However, it is worth trying for 12 months just to see what will be the effect of having a newspaper ombudsman in this State, particularly as we have only one major newspaper. I am sure that if there were a newspaper ombudsman, I would ring up or write to that person from time to time. I rarely write to an editor, and I think I have written to one journalist in the 14 years that I have been in the Parliament. I did not receive a reply to that letter, but the matter that I wrote about was corrected in a story the next day, so it did have some effect. I support the Bill.

**HON MAX EVANS** (North Metropolitan - Minister for Finance) [8.20 pm]: I thank opposition parties for their strong support of the Appropriation (Consolidated Fund) Bill (No 4). As we all know, this legislation has been forced upon the Government, because under the Westminster system, without an appropriation Bill we cannot pay across any money that we receive from the Federal Government. Last week we had to get special approval to draw \$50m from the Treasurer's Advance Account for a fuel tax so that a rebate could be made to the fuel companies.

Hon Helen Hodgson gave a very good summary of the three issues that arise from the Ha and Hammond case. In the case of Ha and Hammond, about \$20m in tobacco tax was owed to the New South Wales Government, and that Government decided to sue. Someone who is owed \$20m will work very hard to save it! The State Solicitors General then decided that they would take the case to the High Court to determine whether state business franchise fees were valid taxes, not just in the case of Ha or Hammond but in all cases. It was all or nothing, and it ended up being nothing, because the High Court cast doubt upon the validity of all state franchise fees.

The Capital Duplicators case in December 1993 created a worrying situation. We had not been in government for long, and we found that the Federal Government had put nothing in place to counter the problem that was created by that case. This time we knew a bit more, because the Federal Government had already said that it would accept that the High Court might rule against the validity of state business franchise fees and had made provision for administrative changes. It was fortunate that the Capital Duplicators case did not go against the States, because it would have led to severe problems.

In that case, the fees had to be collected by 8 December, and the chief executive officer of one of the tobacco companies - I think Philip Morris Ltd - telephoned me and said, "We will not have all our money in place to pay by that day. We may have to bring it forward to some later date in the month. However, rest assured that even though you may lose the case, if we owe you money, we will pay you." He must have thought I was naive and would believe him! I said, "There may be nothing to pay because it will not be legally payable." I then asked him how much was involved, and he said he did not know. I had a pretty good idea, because I used to work for some people in the tobacco industry, and I said, "Most of the wholesalers, such as the small delicatessens, pay cash up-front and others get seven days' credit. Very few of the customers get more than 30 days' credit because the money has all gone up in smoke and they may not pay it if they are given any more credit than that." It turned out that the amount was only about \$2.4m. I said, "It is absurd that you are taking the trouble to telephone a Minister about \$2.4m that you may or may not have to collect by 8 December."

In the case of Ha and Hammond, a lot more work had been done by the Federal Government. One of the problems was that in their naivety the federal bureaucrats decided to continue the status quo by collecting taxes but that no more administrative work would be done for the Federal Government. The federal excise on tobacco was based on the weight of tobacco, whereas the state franchise fee was a wholesale tax on the value of tobacco. That created a lot of anomalies. It would have been far better if it had been left as a wholesale sales tax and the 14 wholesalers in this State had been put into the wholesale sales tax regime, which was already in place. The reason that the tobacco companies stopped selling cigarettes was that they did not know whether the rate of tax that they would have to pay would be based on weight or the number of cigarettes. That matter had to be sorted out.

We still have a major problem with the fuel tax, which is 8.1 per cent in all the States of Australia, with the exception of Queensland, where it is zero, and Western Australia, where it is 9.67 per cent. That problem needs to be sorted out. Under the old regime, because Queensland was not licensed to charge the tax, it could not sell fuel in New South Wales. The reverse can now happen: Tankers from Queensland can sell all of their fuel in New South Wales at 8.1¢ less, which is a problem, and I am not sure how or when that will be fixed.

Hon Barry House summarised the problem with regard to rebates for cellar door sales. When the changeover between prepaid and retrospective taxes has been sorted out, the wine industry will be a lot better off under the new regime of a wholesale tax. I tried for about three years to get a wholesale tax for liquor, and the New South Wales Government agreed with me, but because of the different rates of tax in Australia, it was not possible to do that. At present liquor wholesalers must keep records of all their sales to retailers and supply that to my department so that it can reconcile the figures.

Hon Mark Nevill: It would be better if the Commonwealth collected it when it collected the excise and rebated it to the States. That would cut out the paperwork, which is a nonsense.

Hon MAX EVANS: That is right, and that is what we are coming to now. The retailers had to do all the paperwork in order to pay that 11 per cent tax. It was a huge job. That is why I wanted it to be on the same principle as a commonwealth tax.

The wholesale tax on alcohol will be 26 per cent, plus 15 per cent, plus a rebate, whereas the tax on tobacco will be an excise rather than an excise and a wholesale sales tax. We still have a long way to go to solve the problem of variable tax rates between the States, and the Federal Government is working out some way to compensate this State so that we will receive the same amount of money in toto even though we will not receive the revenue from fuel tax that we received previously.

One of the problems raised by Hon Tom Stephens and Hon Helen Hodgson is federal versus state tax arrangements. Previously the States had the ability to vary rates in order to increase revenue, and some States put an extra tax on fuel so that they could improve highways and roads. When we came into government, the business franchise fee on tobacco was 50 per cent. We increased that to 100 per cent, and because more people smoked after that increase than had smoked previously, we were able to raise an extra \$160m a year. We would have had a lot of financial problems without that extra revenue.

New South Wales and Victoria had a tax rate of 75 per cent when Queensland abolished stamp duty on share transactions. That would cost New South Wales and Victoria about \$250m each. At that time they lifted the tobacco

tax from 75 per cent to 100 per cent, which recovered the lost stamp duty. Therefore, that flexibility has been available to State Governments to rectify financial problems.

That process will never be available again, now that the three taxes will be enforced by the Federal Government. Therefore, about \$600m or 25 per cent of the revenue raised by the State Government will now be in the hands of the Federal Government. The problem will be how we can have some flexibility in the future, because there will be tight conditions because the consumer price index per capita will leave no room for manoeuvring, particularly for Queensland and Western Australia, which have high economic growth which creates demand on revenue. In the initial stages, most economic growth brings no revenue. It benefits mainly the Federal Government, which receives PAYE tax, company tax, and all the benefits of export. We do not receive any of that.

Hon Helen Hodgson queried the fuel levy agreement. I cannot provide information on that tonight, but I will make it available tomorrow if she wishes.

Hon Barry House referred to the alcohol tax. He spoke about a limit on cellar door sales of 45 litres, which is about five cartons of wine. I gather that figure came from some other State, and I am not sure whether pressure is being brought to bear in relation to large sales and having the tax varied. As I said earlier today, the matter is being handled by Treasury and the Ministry of the Premier and Cabinet; they are working to arrive at a uniform rate. They are dealing with Treasury officers in other States.

We are working as quickly as possible to introduce new legislation. Many matters must be worked out between the States. I am not sure about the latest situation on fuel tax or the Queensland situation. I gather that the tobacco companies have settled down. I think at one stage W.D. & H.O. Wills would be financially disadvantaged by the wholesale tax factor. However, I have not been privy to what has been happening in that regard.

I was very interested in the remarks by Hon Mark Nevill concerning a press ombudsman. I think the story related to people being employed by particular companies. It seemed to be a good idea but it was not properly implemented. We have a banking ombudsman, for whom the Australian Bankers Association pays, but I am not certain about his powers. Members also spoke about a police ombudsman and a government ombudsman. If the press ombudsman were paid by the Press Council that would offer a degree of independence, because more than one newspaper is involved. The member spoke about the quality of photographs used in newspapers, and referred to a bad photograph of Mr Julian Grill. I am aware of that photograph. A couple of weeks ago, *The West Australian* ran an article about the drinking provisions for Christmas and Easter, which included a photograph of me. The photograph in the first edition was okay, but they found another photograph for the second edition. They took great care to make sure the second photograph was worse than the first. This is a trap for young players, or for Ministers! I have been caught a couple of times when asked for an interview to discuss certain matters. A photographer arrives and takes 30 or 40 photographs. Talk about the paparazzi! The photographs are graded - good, bad and awful. Usually the awful photographs are used!

Anyone who watched "Media Watch" last night would realise that *The Bulletin* has become very upset with Stuart Littlemore. *The Bulletin* has run advertisements which say that anyone who can find mistakes made by Stuart Littlemore should let *The Bulletin* know so they can be written up in that publication. Stuart Littlemore has also had a bit of a bitch with Paul Murray - which would not be difficult for anyone! They have exchanged letters -

Hon Tom Stephens: Increasingly I am becoming a fan of Paul Murray of *The West Australian*.

The PRESIDENT: Order!

Hon MAX EVANS: It was interesting to listen to Stuart Littlemore talk about the problems he saw with the Press trying to cover up its problems, and the way the Press writes up certain matters. Stuart Littlemore tries to bring a little truth into various situations.

Hon Tom Stephens made interesting comments regarding the goods and services tax. Some time ago a Mr Trevor de Cleene, who was a Minister in the Lange Government, visited this State with Roger Douglas, who brought in the goods and services tax in New Zealand. He explained that before the May 1985 tax summit in Hobart he briefed Paul Keating on how to go about introducing a GST. Hon Tom Stephens might confirm that around that time Mr Keating travelled around the States to convince the Labor Party Governments why we needed a GST, and what should be done. He was keeping strictly to the New Zealand model. Deals were done with the unions. The superannuation provisions were turned upside down -

Hon Bob Thomas: How many tax options did he promote at the tax summit?

Hon MAX EVANS: Hon Bob Thomas has missed his opportunity to speak. He can talk next time.

The tax summit changed the superannuation laws, and the GST did not proceed. It was realised that the New Zealand

GST was very simple. At the end of the day, it reduced the tax rate to 28 per cent of the top rate. That is about 20¢ in the dollar difference, and members should consider what that would mean in cash. The story was that whatever a person's salary and family situation, the saving would be greater in income tax as a result of the introduction of a GST. The advertisements at the time suggested that if anyone could prove that was not the case, he would provide a free lunch at Parliament House. He kept it very simple. Any taxation should be kept simple. The trouble is that the system has become very complicated in recent years. With the introduction of fringe benefits tax and other taxes, it has become very complicated. The New Zealanders kept it very simple, because the GST would end in people paying less income tax.

Hon Bob Thomas: That is not what Paul Clitheroe says.

Hon MAX EVANS: The member should go to New Zealand on his imprest account and find out what was done there. The secret is not to try to solve all tax problems at once. New Zealand also had a negative tax, which is a credit system for self-funded retirees and aged persons - the people who were not paying income tax and received none of the other benefits. On normal household purchases they would receive a negative tax, and that is how New Zealand overcame many problems associated with a GST. A GST is all about keeping things simple.

Members also referred to liquor rebates. I understand that my office hopes to make available rebates on liquor tax almost immediately, and check out the paper work later. I think there will be some problems for cellar door sales. People must account for all cellar door sales to obtain a rebate. I think many sales are cash sales, and we cannot do much about that. As a consequence, people will pay more than they did before. People must decide what to do.

In many ways a goods and services tax would be beneficial; it would simplify taxes. However, it is more important that the State and Federal Governments get together and alter the tax rates. Hon Tom Stephens tried to pressure me into saying whether the State would create its own GST. We should not create new taxes until we sort out expenditure problems. When the coalition took office I told the Premier that we did not need to increase taxes. The Government needed to review tobacco tax because it knew the Capital Duplicators case would arise during the year. Tobacco taxes needed to be near the top or we would face the problems of rebate that have arisen. If Western Australia receives more than the other States we must rebate it to wholesalers and the difficulty then arises of how to rebate the tax to cigarette smokers. The tobacco tax was the only tax this Government increased. It changed the payroll tax by allowing certain exemptions.

The Federal Government must get better control of its expenditure before it examines what it will do with revenues. That is what this Government has tried to do. I commend the Bill to the House.

Question put and passed.

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

### **MOTION - NATIVE TITLE**

#### *Appointment of Select Committee*

Resumed from 11 September.

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [8.41 pm]: Last week at the beginning of my introductory remarks on the Government's response to the motion moved by Hon Tom Stephens to establish a select committee to examine native title, I spent some time arguing that a select committee into native title at this time would be counterproductive. As I sought to explain, essentially the Federal Parliament is contemplating amendments to the Native Title Act. I do not know when Federal Parliament will finish its deliberations or what will arise from them.

To establish a select committee in Western Australia would be premature because we do not know exactly what it would be investigating. The federal Native Title Act is desperately in need of amendment. Legislation is in the Federal Parliament at present in response to both the High Court's Wik decision and the determined needs for change to the Native Title Act. When we decide to investigate native title we must be careful about what we are investigating. Will we be investigating what the situation is now or what might be, or should we wait until after the Federal Parliament has deliberated and investigate what will be? As much as I would like to make decisions in this Parliament on these matters, we have been told by the High Court that that is not appropriate. We therefore must wait for the national Parliament's decision on this issue.

Another reason I was initially opposed to the motion moved by Hon Tom Stephens is the broad ranging nature of the proposed terms of reference. A select committee set up under those terms of reference would commence at the beginning of the issue and would be sawing sawdust for half of its life. Contrary to Hon Tom Stephens' views there is a significant amount of knowledge in Western Australia about the native title legislation. If members of Parliament need to be "educated", to use his word, on what it means I will be only too happy to arrange for the native title unit

of the Ministry of the Premier and Cabinet to provide them with any advice they need. There is no real need at this time for a select committee to begin investigating native title from the beginning of the argument.

I was advised today that the Australian Democrats have prepared an amendment to the terms of reference of the proposed select committee. They would focus the committee's attention on the 10 point plan and the impact and effect it would have on land management in Western Australia. It would also examine the issue of conflicts and disputes that might arise over how that would be implemented within Western Australia. I am encouraged by that proposed amendment because it could become a worthwhile investigation. I have therefore indicated to the non-government parties that the Government will accept the amendments proposed by the Democrats to focus the committee's attention on a couple of specific areas subject to a number of requirements by the Government; that is, the committee report by 27 November, the final date for the House to sit as we have currently worked out the program for the House, although it could change. The committee should carry out its tasks quickly. I will therefore move an amendment to change the reporting date from 28 August to 27 November.

I also indicated to the non-government parties that the Government will want the committee to proceed on the basis put forward by Hon Tom Stephens concerning membership. During his speech promoting the benefits of this select committee Hon Tom Stephens indicated that it should consist of five members - three from the government parties and two from the non-government parties. I will also move an amendment to ensure that that requirement is ultimately part of the motion.

I am encouraged by the way the various parties have been able to quickly resolve this matter. I am pragmatic enough to know that we could spend a lot of time in this place before coming to a resolution. We would probably finish up with a resolution even if we were much older when we reached it. The Leader of the Opposition spent some time last week explaining how the Labor Party had filibustered during the Labour Relations Legislation Amendment Bill and suggested we might do the same on this motion.

Hon N.D. Griffiths: The Attorney General suggested you did it beforehand.

Hon Tom Stephens: We have never filibustered.

Hon N.F. MOORE: He said that we would find out this week whether that would occur.

Hon Bob Thomas: We used parliamentary devices.

Hon N.F. MOORE: That is fair enough. I indicated to the Leader of the Opposition that parliamentary devices were not available to only one side of the House. I also indicated to the Leader of the Opposition that many members on our side of the House had very strong views about native title and would be happy to speak for as long as they were able to promote their point of view.

Hon Bob Thomas: It is Parliament; they can do that.

Hon N.F. MOORE: I agree. I indicated to the Leader of the Opposition that that might occur. That was last week when he said that we might need to cancel our travel plans for next week.

Hon N.D. Griffiths: He wanted to hear what they had to say!

Hon N.F. MOORE: He felt the House would not adjourn when I moved a special adjournment, but would come back the following week. That does not worry me because I am not going anywhere next week. I always work on the basis of giving priority to the House.

With that threat ringing in my ears I considered whether some compromise could be reached on this issue. I concluded that compromise was possible after I read the Democrats' revised proposed terms of reference. On the basis of those terms of reference - with the Government having the majority on the committee and with a reporting date by the end of this session - the House could proceed quite well with this committee.

I indicate to the Leader of the Opposition, because he raised this issue with me, that the Government has every intention of cooperating with respect to this committee. The Government is very anxious to sort out the problems of native title because it is a significant problem in Western Australia. As Minister for Mines I advise the House that the Department of Minerals and Energy's processes are severely gummed up by the requirements of the native title legislation. Many prospectors who are looking to acquire titles to mining leases simply cannot get the titles they need. I am also aware, as a member representing most of the State which has native title claims over it, that a very significant number of potential development projects are being held up, even to the point of residential developments in towns like Port Hedland, because of native title claims. It is having a serious impact on the way the Government does business in Western Australia.

The Government is adamant that the set of circumstances that led to these problems will be resolved. If a select

committee can help to resolve them, so much the better. I hope that Hon Tom Stephens, who we agree will be the chairman of this committee, and that is part of the motion he has moved, will use the committee not as a vehicle to grandstand and to seek the occasional headline by making outrageous statements, as he has been known to do in the past, but as an opportunity to assess the difficulties facing this State and, in a reasonable way, to look at whether the 10-point plan will be successful in Western Australia and to sort out the problems it faces.

The Government will support the formation of the select committee. It is not the Government's preferred position. I explained the other day that the Government's preferred position is for this motion to be delayed until we know what comes out of the Federal Parliament. Members know it will be necessary for the State to legislate after relevant legislation has passed through the Commonwealth Parliament. My view is that that is the time this Parliament should become actively involved because it would need to assess any legislation it needs to introduce as a consequence of the federal legislation. I am pragmatic enough to understand that the Government's preferred position will not be achieved. Therefore, the Government will go along with the amended terms of reference and the formation of the committee, subject to a couple of amendments I will move.

The PRESIDENT: Order! I advise the Leader of the House that I have been provided with some amendments and I presume they are the amendments he is about to move. The motion in its present form has five clauses. From the information I have it appears the Leader of the House proposes to amend clauses (1) and (5). He also indicated that the Democrats have amendments they wish to move. If any of their amendments come before clause (5) they must be dealt with before we deal with that clause. It may be of value to the House for the Leader of the House to move the amendment to clause (1) and then the House will deal with other amendments, and finally clause (5). We cannot go back.

Hon N.F. MOORE: Thank you for your advice, Mr President. Clause (1) reads -

That a Select Committee of five members, any three of whom shall constitute a quorum, shall be appointed.

*Amendments to Motion*

Hon N.F. MOORE: I move -

Clause (1) - To delete all the words after "members" and substitute the following -

is hereby appointed. Three members of the committee shall be appointed from among those members supporting the Government.

I understand that the amendment is in line with the agreement that has been reached by the various parties in the House.

**HON TOM STEPHENS** (Mining and Pastoral - Leader of the Opposition) [8.56 pm]: I second the amendment; however, I do so apprehensively. The Leader of the House indicated that when I first moved this motion it was my intention to encourage the Government to appoint three members from its side and two members from the non-government side. The motion was moved on opening day and that was my intention until I heard about the Government's strenuous opposition to the formation of this committee. When the need to have three government members on the committee was put to me I was left with the fear that the Government might be trying to achieve through the committee what it might otherwise not be able to achieve on the floor of the House; that is, to use its numbers on the committee to frustrate the functioning of the committee and thereby thwart the wishes of the House. I am comforted by the Leader of the House's comment that the Government's numbers on that committee will not be used to thwart the intention of the House. That is one of my apprehensions and, to that extent, it has been addressed by the assurance given by the Leader of the House.

Since I first gave notice of this motion we now have on this side of the House three non-government parties. It would be difficult for members on this side of the House to accommodate the Government's wish. It is the Labor Party's intention to agree to the appointment of the committee with me as chairman, but that leaves the question of who will be the other non-government member. It is a complex question now that there are two other non-government parties in this place. I guess this issue will have to be determined tomorrow.

It would have been preferable had the Leader of the House been persuaded to adopt the proposition of three government and three non-government members, with the chairman not having a casting vote. That would not allow the non-government members to take control of the committee and require a consensus between government and non-government members before the committee could make any progress. Regrettably that is not on offer by the Government.

I am also apprehensive that the committee could be presenting a report on or before 27 November in which the government members might not be able to reach consensus with the non-government members. We could see the

House receiving a majority and a minority report if it was felt that the majority report did not reflect the view of the non-government working majority. It would be a devastating blow for native title issues if the non-government members were utilised in such a way that they would insist on a majority report that did not reflect a consensus or the numbers on the floor of this House.

I am comforted in the knowledge that on occasions in this House, and in other Parliaments of the Commonwealth, minority reports are presented which become the influential reports of the day. A minority report was presented in the House of Commons on the United Kingdom labour laws which became influential in shaping the direction of UK labour relations. I am trying in this motion to cover all options down the track in the way these matters emerge.

I have consulted my colleagues on this side of the House and am therefore able to advise the Government leader that we will take the Government's offer to establish the select committee on the basis outlined. Nonetheless, we do so apprehensively.

I also indicate to the Government that the Opposition wants the membership of the committee to be determined by motion following consultation tomorrow afternoon between the non-government parties and the Government in that regard.

The amendments proposed to alter the terms of reference need a small adjustment; it is only grammatical. Nevertheless, these Democrat amendments will ensure that the committee is more focused on the task at hand. Bearing in mind I moved the motion on 26 March, it is appropriate that it be amended to keep us up to speed with the point we have reached in the political calendar in this country. The 10 point plan is effectively on the agenda of the national Parliament; therefore, it is the more appropriate issue to tackle in the committee.

The Leader of the Government will understand if I am a little at odds with the sentiments he expressed relating to me: Running around the country grandstanding is not my intention.

Hon N.F. Moore: Good. I am pleased.

Hon TOM STEPHENS: It is not the way I want the committee to operate. I hope the government members who serve on the committee allow it to get on with its job in the best interests of all Western Australians. I hope the committee will not become excessively bogged down in party politics, and that it will deliver a strategy which will work for Western Australians in the handling of these issues.

Members should bear in mind that next year this Parliament will consider legislation which will need to attract the support of at least some members on this side of the House if it is to pass. In those circumstances, government members serving on this committee will be wise to recognise that this is our best chance to prepare ourselves for that reality. In those circumstances, I have seconded the amendment moved by the Leader of the Government, although I have done so with some apprehension and on the philosophy that a bird in the hand is worth more than two in the bush.

Amendment put and passed.

The PRESIDENT: Order! I propose to deal with these matters subclause by subclause because some slight adjustments to the Democrats' amendments will be necessary.

**HON HELEN HODGSON** (North Metropolitan) [9.04 pm]: When we looked at these original terms of reference, the Democrats faced similar concerns to those expressed by the Leader of the Government. It seemed that the terms were very broad and reopened the whole issue of native title from the initial High Court ruling and forward from that point. Although this proposed committee has merit, it is important that it focuses on the issues we will face within the next six months; that is, the relationships between the federal legislation and the to-be-drafted Western Australian legislation. Therefore, these amendments to the motion were drafted as an attempt to focus the committee's work to produce a workable report to be returned to the House in reasonable time. This will ensure that the report will be of use to the House in considering the native title issue when it comes before it next year.

Hon Tom Stephens: Before you move the amendment, could I encourage you not to use the first two words of the amendment - namely, "consideration of" - as they are unnecessary in view of the introduction "to inquire into and report on"?

Hon HELEN HODGSON: That is fine. I move -

Clause 3 - To delete subclause (a) and substitute -

- (a) the Federal Government's proposed 10 Point Plan on native title rights and interests, and its impact and effect on land management in Western Australia;



Amendment put and passed.

Hon HELEN HODGSON: I move -

Clause 3 - To delete subclause (b).

Amendment put and passed.

The PRESIDENT: The words in clause (3)(b) and (c) of Hon Helen Hodgson's amendment are the same as those in clause (3)(c) and (d) of Hon Tom Stephens' motion. By way of a Clerk's amendment, the paragraphs in the motion will move up to be new clause (3)(b) and (c); therefore, there is no need to amend those words.

Hon HELEN HODGSON: I move -

Clause 3 - To insert the following new subclause -

- (d) the role that the Western Australian Government should play in resolution of conflict between parties over disputes in relation to access or use of land.

**HON TOM STEPHENS** (Mining and Pastoral - Leader of the Opposition) [9.13 pm]: I accept this amendment. The Greens had put forward to the Opposition another amendment that would have added the opportunity for the committee to consider the issue of native title in the context of heritage issues. I would have been happy to accommodate their amendment as well. I understand the offer from the Government does not include that amendment. Nonetheless, the terms of reference we are left with will provide the opportunity of considering the emphasis the Greens wanted added to the motion; that is, the Aboriginal heritage issues that Aboriginal people are faced with in the resolution of the native title issues in this State alongside the Federal Government's 10 point plan. I will endeavour in my work on the select committee to accommodate that suggestion insofar as we are able to with the terms of reference with which we are now left.

Amendment put and passed.

**HON E.J. CHARLTON** (Agricultural - Minister for Transport) [9.15 pm]: I move -

Clause (5) - To delete "28 August" and substitute "27 November".

Hon Tom Stephens: This is an appropriate amendment.

Amendment put and passed.

Motion, as amended, put and passed.

## **WESTERN AUSTRALIAN COASTAL SHIPPING COMMISSION AMENDMENT BILL**

### *Second Reading*

Resumed from 21 August.

**HON KEN TRAVERS** (North Metropolitan) [9.16 pm]: I am not the lead speaker for the Opposition on this matter. The Leader of the Opposition will give his speech at the next sitting of the House or later this evening.

After looking at this Bill and listening to the second reading speech it seemed almost innocuous and merely tidying up legislation. However, the history of this Bill shows that it has far greater significance. I was working in Fremantle when the contract to BAAC Pty Ltd on the Fremantle wharf was first let. As members will remember, the dispute that arose from that was the cause of the demise of Stateships and probably led to the Bill that is before members tonight.

I spent quite a bit of time talking to a number of members of the Maritime Union of Australia who were on the picket lines, protesting against the decision to award the stevedoring contract. I do not want to go into any great detail of that, but the process by which that contract was let was shameful. The details have still not been fully disclosed to the people of Western Australia. The process involved in the awarding of the contract left a lot to be desired. The people involved in it stand condemned for that process.

When I was on the wharf with the workers who were fighting for their future and for their jobs and the jobs of their children, I saw a solidarity of working people - something that is not often seen in modern society. On that wharf for about a week, if not a little longer, was immense solidarity among working people, not just from those in fear of their jobs, but from people outside the maritime industry who saw the importance of that struggle and who were prepared to offer their support. Unions would carry out collections on site. People would bring food to those on the

picket lines to keep them fed and looked after. I have not seen a group of people who were more committed to a cause.

The PRESIDENT: Order! I have listened with great interest to what Hon Ken Travers has said to date. However, we are dealing with the Western Australian Coastal Shipping Commission Amendment Bill and in the second reading stage it is critical that members address the Bill before the Chair. Hon Ken Travers seems to have strayed right away from the substance of the Bill as it is presented in the second reading. I draw his attention to that requirement.

Hon KEN TRAVERS: I was outlining some of the history of this Bill. Under the Act that this Bill is seeking to amend the Western Australian Government has an obligation to provide a shipping service to the people of Western Australia. This Bill is seeking to remove that obligation. I will outline some of the reasons that we should retain that shipping service. I will also refer to the costs associated with dismantling the shipping service. I am sure the Government will run the line that it was an expensive operation. However, that was a management issue that could have been addressed so the State Government could provide an efficiently run shipping service. I will also talk about the huge demand in the north west for a shipping service.

On 20 June this year an article in *The West Australian* stated -

The closure of Stateships is continuing to cost taxpayers more than \$10 million a year, despite the State Government's claim that axing the shipping service has left State finances better off.

The Government is expecting to spend \$6.89 million this financial year to meet ongoing debts associated with the 1995 closure of Stateships and \$4.94 million on providing a replacement shipping service for North-West residents.

Next financial year it expects to spend \$5.56 million servicing debts and \$4.46 million on the new service.

The debts associated with the closure are unlikely to be paid in full until 2020.

A number of my colleagues commented on remarks by the member for Willagee in the other place about the "Yes Minister" television series that dealt with a hospital ward that was efficient because it had no patients; he compared that with a Fremantle Hospital ward that was closed. This is the same situation: We have a shipping service that is costing us a fortune, but we have no ships. A number of questions were asked earlier this year in this place about some of the other costs associated with the state shipping service contract even though we have no ships. *The West Australian* article picked up on most of those costs. Western Australians are also paying for the debacle that resulted in the recent \$1m settlement to BAAC Pty Ltd.

Staffing practices in the state shipping service were not rooted in the dim dark days. Over a number of years the Maritime Union of Australia had cut back staffing levels on those vessels to almost half of what they had been previously to bring them down to world best practice. Did the Government dispose of Stateships because of supposed problems with the work force or was it to hide inadequate management practices?

I believe that the Government could still run an effective, cost efficient state shipping service to cater for the needs of the people of the north west, and also to provide a shipping service to South-East Asia for export produce. Australia is an island nation those trade links are crucial. It is also crucial that we maintain and own the vessels that carry out that trade. Maintaining a decent and effective shipping service is an issue of national security that needs to be dealt with. Those issues have not been addressed.

The State and Federal coalition Governments have an ideological opposition to state owned shipping. The Federal Government has indicated that it will remove cabotage in the future. That will see Australian jobs going overseas at a time when we have high levels of unemployment. It is not as if Australia would be unique in maintaining cabotage. For instance, that great free market country of the western world, the United States of America, still has cabotage and maintains its own coastal shipping fleets. Malaysia and some of our other South-East Asian trading partners have their own coastal shipping fleets.

What are the alternatives to the state shipping service? We may find that local Australian shipping services pick up the pieces and run it. Another option, which we are seeing increasingly around the oceans of the world, is ships operating under flags of convenience. A number of years ago a federal government report referred to them as ships of shame. That description is spot on, and anyone who can remember the *Kirki* and *Sanko Harvest* disasters will understand the dangers of having these ships of shame plying the Western Australian coastline.

Hon J.A. Scott: And sheep ships.

Hon KEN TRAVERS: They have a history of disaster around the world. I am sure if Hon Tom Helm gets a chance he will tell stories of when he was in the Merchant Navy.

This is not just my view of the world situation. Earlier this year I spent some time with members of the Maritime Union of Australia at the Hillarys boat harbour. They were running a campaign to inform members of the community of their concern about ships of shame. I was amazed at the level of the public's understanding, awareness and concern about the issue. The people who were at Hillarys were concerned about the potential problems of not having an Australian shipping service. This Bill is another step down the path of Western Australia doing away with a domestic shipping service.

If this piece of legislation is necessary to abolish the state shipping service how is it possible that the Government is not providing a state-run shipping service as the Act currently specifies? Why was this legislation not put in place before the demise of Stateships? Before that decision was taken and before we finally write out of the Act the requirement for the State Government to provide a state shipping service, it should review the economic position of both the previous and the current shipping service. The Government should obtain an expert analysis of the most efficient way of providing an efficient and economic shipping service to the people of the north west. I am not sure whether that has been done by the Government or anybody else.

Another article in *The West Australian* last week quoted the Leader of the National Party, the Deputy Premier, on the subject of the national freeze on tariffs. He said that because Western Australia does not have a large number of textile and footwear industries, we would be subsidising the people of the east coast. He argued that Western Australia is providing the wealth but tariffs are being used to subsidise workers on the east coast. It could also be argued that the people of the north west of Western Australia, who are providing that wealth, have the right to expect a shipping service. To the best of my knowledge, they were never asked their views on that issue.

I was in Derby not very long ago and was amazed at the level of support for a state shipping service. I understand that such a service has not been operating to Derby for many years, but those people remember it and hold it in high regard. They feel a real ownership of that service. I know members will argue that there is an alternative, but the people to whom I spoke have fond memories of the service, they want it reinstated and they want it run by the State Government. There is also the concern that by amending the legislation in this way, in 1999, when the current contract expires, there is no guarantee that a state subsidy will continue, even for a non-government run shipping service. This Bill will make it easier for the Government of the day to walk away from such a service.

A number of options could have been pursued to improve the current service run by Union Bulk Ships. When the Minister replies, can he advise the House whether Union Bulk Ships suggested buying a larger ship? That would be an improvement on the current service.

As I said, the people of the north west were not consulted. In fact, I was told the other day that a referendum of some form would have been suitable to gauge opinion. I do not necessarily support that, but greater consultation would be a good idea.

There is the potential to develop a service, not only for the people of the north west of Western Australia, which is a huge area. The Government could also provide Western Australian industry with a good, reliable and efficient transport system into South-East Asia. I understand that people in the shipping industry, including the union movement, are working together on a proposal. Currently about 11 000 reefer boxes are being exported from the Port of Fremantle and 9 000 to 10 000 are being imported from South-East Asia on an irregular service. That is a significant trade. The Government could provide an excellent shipping service up the north west coast and into South-East Asia. The producers of dairy, seafood, fresh fruit, vegetable, meat and ice cream products could be provided with a good, reliable service into that market. We would be ensuring that Australian produce is exported on Australian-owned ships employing Australians.

For all those reasons, I oppose Bill. The Government has an obligation to provide a shipping service. It can still provide such a service; in fact, it should still be providing it under the current legislation. Before any changes are made, there should be widespread consultation with the people of the north west of Western Australia. The Government should be undertaking economic analyses and putting in place alternative mechanisms to ensure that the people of that area are being serviced and that local producers are able to access the South-East Asian market. I urge members to oppose this Bill.

**HON TOM HELM** (Mining and Pastoral) [9.36 pm]: I obviously join with my colleague in urging the House to vote against this Bill. On the surface, it appears to be an innocuous Bill relating to the Government's taking care of its responsibilities towards some of its ex-employees who might be affected by asbestos. That is a good thing; there is nothing wrong with that. However, one does not need to be a genius to understand that such people are already covered. We do not need a Bill to take care of -

Hon E.J. Charlton: We do.

Hon TOM HELM: I suggest that we do not. We need the Bill, but it does not mention asbestos.

Hon E.J. Charlton: We are retaining that part.

Hon TOM HELM: The second reading speech states that the Bill confirms the commission's position as a non-operating legal entity and removes its obligation to provide a shipping service. There is no legal duty to operate or provide for the operation of any shipping service. It further points out that the Government will ensure financial assistance for a shipping service to the north west similar to that provided to the aviation industry. However, there is nothing in the Bill or the Act suggesting there is an obligation. This Bill will repeal the obligation to provide a shipping service or for its operation. The second reading speech states -

The present support arrangements are administered by the Department of Transport, in the same way as progressive State Governments have supported aviation services to outlying areas. The current support will be in place until 1999 and the Government will obviously consider future arrangements well before the present ones expire.

Obviously! It is not obvious according to the Bill before us, which contains no mention of any obligation. Again, it is a "trust me" situation.

Hon E.J. Charlton: It has nothing to do with the Bill.

Hon TOM HELM: Why is it in the second reading speech?

Hon E.J. Charlton: Because we have taken it away.

Hon TOM HELM: Exactly. It is clear from the Bill what has been taken away, but there is no indication in the Bill - as there is in the second reading speech - of an obligation by the Government to continue the service being provided to the north west. As my comrade Hon Ken Travers said, a survey should have been carried out of the needs of the people of the north west before the Stateships service was withdrawn. The Kimberley Development Commission was asked to carry out a survey and it did so.

Hon Ken Travers: They ignored it.

Hon TOM HELM: Of course.

Hon E.J. Charlton: With respect, Hon Ken Travers is ignorant of what went on. The people of the north west had input to a survey. They also have an organisation of which they are a part.

Hon TOM HELM: It is one thing to be ignorant and another to be treated like a fool. This second reading speech treats us all like fools. Foolish we may be, but I do not think we are ignorant.

Hon Ken Travers: If you had asked the people of the north west they would have responded with a yes. I know that is how they feel about it so I assumed the Government had not asked them. From the sound of it the Government asked them and ignored them.

Hon TOM HELM: The second reading speech states that -

Fundamental to this consideration will be clear evidence of continued support of the service by the Kimberley community and also evidence of ongoing operational reform on the part of the service provider.

It says perhaps in clearer terms -

Loadings on the vessel providing the service are steadily rising, which bears out the view of the Kimberley community on the need for shipping. The operator is considering various optional improvements to the service to better meet this growing demand.

Members can be sure that after 1999 a better way must be found because this Government will withdraw the service under its user pays philosophy. That is the kind of proposition this House is asked to consider. The second reading speech bears little or no relationship to the truth. It is just a mechanical way of scrapping the state shipping line so that a service will no longer be provided to the north west. Again, I refer to the line about the tariffs which can be an impost upon the people of Western Australia by way of additional costs. I suggest the Government can be praised - if it needs praise - for taking some responsibility before the demise of the state shipping line to provide a service to the north west. In recognition of its isolation, the markets opening in South-East Asia, and the trade between ports in the south and the north west of the State, a subsidy was provided. That continues for the people of the north west to give them some of the things that people in the south of the State take for granted.

If the second reading speech had any relationship to the Bill before the House, it would be able to convince us that the people of the north west will continue to be provided with the service they had before the mob opposite started to look after their supporters, like Mr Buckeridge and BAAC Pty Ltd. It looked after him and his company rather

than the constituents of the north west who so badly need this service.

Hon E.J. Charlton: You did not look after people in the north west. You looked after a shipping operator.

The DEPUTY PRESIDENT (Hon J.A. Cowdell): Order! Hon Tom Helm has the floor.

Hon TOM HELM: If the Minister is suggesting that the previous Labor Government did not provide a service or assistance to the people of the north west by providing a shipping line, that is obviously not true. In one way, this Government is continuing to subsidise the same service previous Governments subsidised, but not to the same extent. I am not knocking that. Times change and I have no problem with change, but I am concerned that the second reading speech and the Bill bear no relationship to each other. For example, the Bill distances the Minister from scrutiny in this Parliament on the activities of a state shipping service. Section 5 of the Act will be amended to keep the commission at arm's length from the Minister. It will be accountable under the Financial Administration and Audit Act, and through its annual report. That is how members will find out how the commission operates and where its money is spent.

At the moment the Minister must take responsibility for the commission and can be questioned about its activities. If this Bill is passed, that accountability provision will go. It is like everything this Government has done. For example, \$13m was spent on the royal commission into WA Inc, and we were advised that more accountability was needed. However, this Bill will reduce accountability, and the Minister in this Chamber will no longer be accountable to this Parliament because the commission will be at arm's length and answerable only through its annual reports and the financial requirements of the FAA Act. The Minister will have no responsibility.

Hon E.J. Charlton: Did you have a briefing?

Hon TOM HELM: No. Did I need one?

Hon E.J. Charlton: Yes.

Hon TOM HELM: I understand there is one next Thursday.

Hon E.J. Charlton: The Labor Party had its briefing and you obviously did not go.

Hon TOM HELM: I will go, if the Minister wants me to.

The DEPUTY PRESIDENT: Order! Hon Tom Helm will address the Chair.

Hon TOM HELM: I am willing to take advice at any time. The Minister cannot blame me if the second reading speech is not self-explanatory. All I can do is read the Bill, look at the Act to be amended and comment on that. That is all members can do. A briefing helps sometimes, and sometimes it does not. A briefing will not help in this case because the Minister is out of order. He is trying to pull the wool over our eyes. He is the farmer; we are not.

Section 15 dealing with delegation of responsibility will be amended to include after the word "Manager" the words "or to any other person". All the things the Minister is obliged to do under section 15 can be delegated to any other person. The amended section will read -

The Commission may, in respect of any particular matters or class of matters . . . delegate to the General Manager or to any other person . . .

Members on this side of the Chamber have always held the view - members opposite were the same when in Opposition - that people are paid to take responsibility for certain actions. Opposition members get twitchy when that accountability and responsibility is removed from the scrutiny of members of this Parliament.

This is delegation of authority. This is about accountability of Ministers and their departments through this Chamber, through the elected representatives of the people. We now have the whole thing being hived off. I suppose that if we are to go down the track of privatisation, that must be the case to some extent.

Hon E.J. Charlton: Not necessarily.

Hon TOM HELM: Why is it in this case?

Hon E.J. Charlton: It means that the administration will be done by the Department of Transport.

Hon TOM HELM: That could have been reflected in the second reading speech. If it means that, why does the Bill not say so? Alarm bells are ringing for me. The way I see it, Buckeridge, or whoever his mates are -

Hon Ken Travers: It could be another person.

Hon E.J. Charlton: It could not be because he is not authorised.

Hon TOM HELM: It says "any other person". At a very long stretch, I could probably cop Buckeridge. However, let us take the case of a foreign flag ship owner. We do not even know about that. The Bill says any other person described in the Act, not by regulation which we have not seen yet. It is not described anywhere. It just says any other person. It does not seem to be out of the bounds of reason to have a ship owner coming to the Minister of the day and saying that he has a problem and that he must do certain things. The Minister can say that under the Act that responsibility could be handled by the ship owner. From my reading of the amendments, the Bill and the second reading speech, there is nothing to stop me from being a little suspicious about what is intended with this Bill. It worries me.

I spent 10 years as a merchant seaman - when I were a lad, hey up! I had a parrot on my shoulder, an eye patch and a peg leg and I waved an oil lamp as the seas were rolling in. We are talking about 40 years ago, in 1957, when I was on ships ploughing their way through the Seven Seas, doing interesting things when visiting strange and exotic places.

Hon E.J. Charlton: We understand that bit!

Hon TOM HELM: When foreign crewmen worked on the American coast for three weeks or more, under the American federal law they had to be paid the same wages as an American seaman. British seamen thought all their Christmases had come at once. They earned about three times their normal wage. As soon as we were in American waters for three weeks or more - I do not know whether this law still stands - we were paid this huge amount of money. I stopped being a merchant seaman in 1967.

Hon N.D. Griffiths: They could not afford to pay you.

Hon TOM HELM: What happened there is exactly what is happening here. The American merchant service was decimated. Pommie ships, Japanese ships and Scandinavian ships operated then. There were very few flags of convenience at that time. The Americans would rather have done that than keep their merchant fleet. They paid quite a lot for that decision. The federal Legislature of the United States decided that because Americans were not being employed to carry American cargo, foreign seamen who were carrying that cargo would earn the same wages American seamen were entitled to. This is the equivalent to cabotage. They thought it was important. Let us look at the Australian scene 30 years later. It is of no concern. Why are our unemployment figures the same, month after month? Why are we in such dire economic straits? Why do we have such low inflation?

Hon E.J. Charlton: We have cabotage here.

Hon TOM HELM: The Minister does not agree with that.

Hon E.J. Charlton: How many ships do we have left?

Hon TOM HELM: Not very many. If we were to give the Minister any chance, we would have no ships left at all. I am suggesting a reason for unemployment being at its current rate and the economy not doing what it should be doing. Under the crowd opposite, at both the federal and state level, there is no certainty of employment. Workers cannot go to their job on a Monday and know with any certainty that they will be there on a Friday. Why would they apply for a mortgage, even though the interest rates have rarely been as low as they are now? That is brilliant!

What does it mean? It means there is uncertainty because there is no employment surety. No matter what the working people of this State do, the flat earthers opposite, the conservatives in this nation, will always say, "Let's screw the workers to the ground again; let's get 'em again." For what reason? We have had industrial peace for 10 years and a shipping service and a waterfront that have made magnificent reforms without some clown, in the guise of the Minister for Transport, who does not encourage the ship owners and the waterfront owners to invest in new machinery.

Hon E.J. Charlton: Did you watch "60 Minutes"?

Hon TOM HELM: I never watch "60 Minutes". I am sure with all the advertisements it should be renamed "38 Minutes". It does not really matter. The changes that were needed have been made. The Government is saying, "We have had enough; let's take them on again." I watched "The 7.30 Report" tonight. I listened to Bob McMullan talking about how the federal Minister for Industrial Relations, Peter Reith, cannot wait to take on the unions and destroy them. That is fine. If it makes him feel good, he can say that. If those opposite continue to say those things, not only will the economy get worse, but they will go blind. They are playing with themselves. There will be no positive result at the end of the day.

Hon E.J. Charlton: This has nothing to do with unions.

Hon TOM HELM: If the Minister starts saying something like that, his nose will get so long that he will not be able

to get past the microphone without hitting it.

Hon E.J. Charlton: It is all about how they operate.

Hon TOM HELM: I know it is hard but I must keep trying to convince those opposite, although sometimes I wonder whether it is worth it.

Hon E.J. Charlton: No.

Hon TOM HELM: It probably is not as far as the Minister is concerned. I may as well talk to the seat on which the Minister is sitting. I would get more sense out of it.

Hon E.J. Charlton: Most times you are talking out of the seat you are sitting on.

Hon TOM HELM: While I have breath in my body, I will try to put the case that the unions will be part of the solution. That will be proved to those opposite, but not to the Minister because he will go. He is dead in the water. He has no chance. We have had the conservative stuff with Thatcher and Reagan. They are long gone, and the Minister will join them in the scrapyard of life where he wants to put our ships and our seamen. There is not an original thought coming from any member opposite. The people of Australia understand the fear and the uncertainty. Those opposite cannot give me any reason for our economy not booming. I must give credit to the coalition: It put in the work, and inflation is down and interest rates are down. Every indicator is showing that we should be doing well. Why is that not the case?

Hon N.D. Griffiths: They came in with low inflation.

The PRESIDENT: Order! Hon Tom Helm does not need any help.

Hon TOM HELM: We have already tried these sorts of reforms. Let us be honest. We must ask whether it is a good idea to go down the path of presenting a Bill to this place that takes away any legal duty to operate or to provide for the operation of a shipping service. We got statements in the second reading speech about the subsidies and assistance for the shipping services in the north west continuing until 1999. The Bill is quite clear, unambiguous. It says that there is no legal obligation to continue a shipping service or provide for the operation of a shipping service. I could get angry about the fact that it has no duty to operate a shipping service; that would be bad enough. But the words say, "to provide for the operation of". Any interpretation in 1999 of what the Bill says would have to conclude that this Government had no obligation to provide a service. If it is a nice Government and it realises by 1999 that it has made a mistake - it might if it gets rid of the Minister for Transport and replaces him with a progressive Minister - the Government might have the ability to provide for a shipping service. At this time I doubt it very much.

Debate adjourned, pursuant to standing orders.

#### **ADJOURNMENT OF THE HOUSE - ORDINARY**

**HON E.J. CHARLTON** (Agricultural - Minister for Transport) [10.01 pm]: I move -

That the House do now adjourn.

#### *Adjournment Debate - Public Sector Standards*

**HON LJILJANNA RAVLICH** (East Metropolitan) [10.02 pm]: As opposition spokesman on public sector management I feel compelled to make some comments on the annual compliance report of the Commissioner for Public Sector Standards. In flicking through this report today it became fairly apparent to me that some of the promises the Government made about improving the public sector are not coming to fruition. In perusing the report I came across the section on ethical practices. It is very revealing because there appears to be an increase in improper, illegal or corrupt behaviour. In my view, the Government's contracting out agenda may be leading to some of these unethical practices which are becoming prevalent in the public sector. My fear is that public servants may be being compromised in carrying out the Government's agenda.

The report of the Commissioner for Public Sector Standards found that in response to the question, "Have you observed improper, illegal or corrupt behaviour in your organisation?" 22 per cent of all respondents claimed that they had witnessed some form of that activity in the past 12 months. In relation to bribes, 1 per cent of the 2 987 respondents interviewed - 29 people - had observed bribes being offered in their work in the Public Service. Five per cent had witnessed or observed the conferring of benefits; 6 per cent had witnessed queue jumping; 7 per cent had observed stealing; and other categories totalled 6 per cent. If we convert those percentages to figures, we see that there were 149 observations of conferring of benefits, 179 of queue jumping, 210 of stealing and 179 others. I believe the Government's contracting out agenda may be largely responsible for some of those activities.

When one looks at some of the areas in which the Government has entered into major contracts with the private sector, one sees they are substantial to say the least. For example, the Matrix contract was a \$250m contracting out of government vehicles over 10 years. The Joondalup Hospital redevelopment was a \$750m project over 20 years. With contracts of that magnitude there is scope for some improper behaviour to take place. I am not suggesting at this stage there has been improper behaviour in relation to either of those contracts, but the Government's agenda opens up a Pandora's box in relation to some of these activities.

In preparation for a motion about privatisation and contracting out, of which I have given notice, I have sifted through a lot of information. I came across an interesting article which relates to this area. It is from *The West Australian* of 14 May 1997 and is headed "Wife helped draft selection criteria". It reads -

The wife of a public relations consultant who won a \$40,000 contract with the Elle Macpherson Whitbread yacht race campaign helped draft the selection criteria by which his company was picked.

Tourism Minister Norman Moore told the Legislative Council yesterday that Beverly Ward helped decide how to judge tenderers bidding to handle publicity for the race.

But Mr Moore said Ms Ward - who is in charge of the WA Tourism Commission's Whitbread stopover office in Fremantle - played no part in choosing which companies would be invited to tender or who won the contract.

Ms Ward is married to Jim Ward, chairman of public relations firm Ward Holt which was awarded the contract from three other tenderers.

That is a clear example that could be interpreted as improper behaviour, depending on one's definition.

Hon N.F. Moore: But you are not interpreting that as being corrupt?

Hon LJILJANNA RAVLICH: I did not say it was corrupt. There is a fine line there, Minister, and the point I am making is I believe many public servants are being compromised, given the figures in this report.

Hon N.F. Moore: What are you suggesting about that particular arrangement?

Hon LJILJANNA RAVLICH: Does the Minister not think it is a little odd to have Mr Ward's wife drafting the selection criteria for a contract which he won?

Hon N.F. Moore: What is the source of your information?

Hon LJILJANNA RAVLICH: It is *The West Australian*.

Hon N.F. Moore: That is a great place to get the information!

The PRESIDENT: Order! In respect of the source of the information, I refer Hon Ljiljanna Ravlich to Standing Order No 92, which talks about quoting of newspaper reports when they refer to debates in this House. I ask the member to look at that later. Time is limited now.

Hon LJILJANNA RAVLICH: Thank you, Mr President.

I will conclude now, but there are many examples in this report of organisations not conducting themselves appropriately for a range of reasons. I have made the point I set out to make, which is that I strongly believe this increased trend to contracting out may be resulting in unethical practices. I will go through this report carefully to see what evidence there is to link these two issues in a more concrete way. We must preserve the integrity of the public sector and strategies are needed to reduce improper, illegal or corrupt behaviour. Western Australians deserve no less; neither do Western Australian public servants.

Question put and passed.

*House adjourned at 10.08 pm*

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# QUESTIONS ON NOTICE

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

## ALINTAGAS - NORTHGATE COMMUNICATIONS

### *Collocation of Facilities*

826. Hon E.R.J. DERMER to the Leader of the House representing the Premier:

I refer to the Premier's answer to Legislative Assembly question on notice 807, received by the member for Belmont on August 20, 1997, where the Premier stated, and I quote -

"AlintaGas recently announced Northgate Communications as its potential partner for providing wideband (telecommunications) cable in AlintaGas trenches throughout Kalgoorlie."

- (1) Is the Premier aware of the media statement issued on August 20, 1997 by AlintaGas announcing that AlintaGas and Northgate Communications "had been unable to reach a satisfactory conclusion in negotiations to lay underground telecommunications cables in natural gas trenches in Kalgoorlie-Boulder"?
- (2) What measures have been taken by the newly established Office of Information and Communications, within the Department of Commerce and Trade, to attempt to salvage this prime opportunity?
- (3) What steps will the Government take to ensure effective co-ordination between Government instrumentalities to prevent this situation arising in the future?

Hon N.F. MOORE replied:

- (1) Yes. [See paper No 774.]
- (2) The Office of Information and Communications is in the process of being established. The Department of Commerce and Trade has been proactive in encouraging new carriers to provide wideband telecommunications services in Perth and regional centres. In the long term interests of consumers, such services need to be provided in a manner which is cost-effective. Developments in wireless distribution, both terrestrial and satellite, are moving rapidly and cable may not be the best long term solution. AlintaGas has been very innovative in investigating the feasibility of placing telecommunications cable in its Kalgoorlie-Boulder trenches. Regrettably no company found this to be commercially viable.
- (3) Coordination between instrumentalities would not have prevented this situation occurring. It was a commercial decision. Every opportunity continues to be assessed on its merits.

## HEALTH - PATIENT ASSISTED TRAVEL SCHEME

### *Number of Trips Funded*

842. Hon BOB THOMAS to the Minister for Finance representing the Minister for Health:

Further to questions on notice 728 and 729 of 1997 and 3344 of 1995 -

How many trips were funded under the Patients Assisted Travel Scheme for -

- (a) Albany Regional Hospital;
- (b) Denmark District Hospital;
- (c) Mt Barker District Hospital;
- (d) Manjimup Warren District Hospital; and
- (e) Bunbury Regional Hospital,

for the years -

- (i) 1992/93;
- (ii) 1993/94;
- (iii) 1994/95;
- (iv) 1995/96; and
- (v) 1996/97?

Hon MAX EVANS replied:

- (a) Albany Regional Hospital

- (i) 1859
  - (ii) 2009
  - (iii) 1855
  - (iv) 1670
  - (v) 1604
- (b) Denmark District Hospital
  - (i) 235
  - (ii) 364
  - (iii) 523
  - (iv) 348
  - (v) 330
- (c) Plantagenet District Hospital
  - (i) 369
  - (ii) 497
  - (iii) 305
  - (iv) 280
  - (v) 247
- (d) Warren District Hospital
  - (i) No data available.
  - (ii) 1579
  - (iii) 2012
  - (iv) 1558
  - (v) 1660
- (e) Bunbury Regional Hospital
  - (i) No data available.
  - (ii) No data available.
  - (iii) 2027
  - (iv) 1566
  - (v) 2294

#### HEALTH - DENTAL

##### *Halls Creek-Fitzroy Crossing*

851. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Health:

Further to question on notice 696 of 1997, can the Minister for Health advise -

- (1) For the financial year 1996/97, for what length of time has the dental position at Halls Creek/Fitzroy Crossing been vacant?
- (2) For what periods during the time when the position was filled, was the dental officer occupying the position not available at the post in Halls Creek/Fitzroy Crossing?
- (3) What was -
  - (a) the budget allocation; and
  - (b) the actual expenditure for this dental position for 1996/97 for -
    - (i) salary; and
    - (ii) ancillary costs?
- (4) In order to ensure that this position is filled on a more permanent basis and dental services more reliably available to these areas, is consideration being given to allocating the resources currently dedicated to this position to the Aboriginal Medical Services of the Kimberley on a fee for service basis?
- (5) If not, why not?

Hon MAX EVANS replied:

- (1) Approximately 4 months.
- (2) 12 days.

- (3) (a) \$140,000.
- (b) (i) Salaries \$43,902.  
(ii) Ancillary Costs 448,927.
- (4) No.
- (5) The service to Halls Creek/Fitzroy Crossing and outlying communities is provided to the total community, not exclusively to Aboriginal people. There has been no proposal received from the Aboriginal Medical Service, other groups or individuals to undertake this service.

#### HEALTH - COMMUNITY DEVELOPMENT EMPLOYMENT PROGRAM

##### *Participants - Access to Health Care Cards*

852. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Health:

Further to question on notice 697 of 1997, can the Minister for Health advise -

- (1) When was the policy changed to ensure that CDEP participants were entitled to access to health care cards and dental care?
- (2) When were dentists advised of this policy change?
- (3) What other steps have been taken to advise CDEP participants of their entitlements to access to the health care card?

Hon MAX EVANS replied:

- (1) Access to dental care in public dental clinics and private practitioners participating in the Country Patients' Dental Subsidy Scheme was approved in June 1997. Access to Health Care cards is not a responsibility of Dental services or myself.
- (2) Public dental clinics - 20 June 1997.  
Private practitioners - 4 September 1997.
- (3) None - this is the responsibility of the Department of Social Security/ATSIC.

#### HEALTH - BEACON SILVER CHAIN NURSING POST

##### *Funding Shortfall*

853. Hon KIM CHANCE to the Minister for Finance representing the Minister for Health:

- (1) Is the Minister for Health aware of the effects of a funding shortfall at the Beacon Silver Chain Nursing Post and that -
- (a) overtime and after hours call outs cannot be funded;
- (b) spending is already \$5 000 over budget;
- (c) a relieving nurse cannot be funded which prevents the resident nurse from updating her skills; and
- (d) Beacon is a half hour drive from the nearest clinic at Bencubbin and a one hour drive from the Kununoppin Hospital?
- (2) Can the Minister advise me of any action that has been taken to relieve the financial constraints which face this nursing post?

Hon MAX EVANS replied:

- (1) Yes, the Minister is aware of these issues which were conveyed to him by means of a letter of 28 August 1997 from the Silver Chain Committee at Beacon.
- (a)-(d) Yes.
- (2) Health Department of Western Australia had indicated a level of funding for 1997/98 available to the Silver Chain Nursing Association for the running of the 15 nursing posts they operate statewide. The funding allocated to individual Nursing Posts from that overall amount is the responsibility of the Silver Chain Nursing Association.

HEALTH - DENTAL

*Community Development Employment Program Participants - Treatment Entitlement*

854. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Health:

- (1) Can the Minister for Health confirm that participants in the Community Development Employment Program are only entitled to emergency dental care?
- (2) Would the Minister detail precisely what dental treatments are available, as a free or subsidised service, to participants in the Community Development Employment Program?
- (3) Would the Minister detail precisely what dental treatments are available, as a free or subsidised service, to Health Care Card holders?
- (4) Will the Minister explain the reason for the differences in these entitlements?

Hon MAX EVANS replied:

- (1) Community Development Employment Programme participants attending a public dental clinic or private practitioners participating in the Country Patients' Dental Subsidy Scheme are only eligible for emergency care. Participants treated in their communities access the full range of care possible.
- (2) In the community the full range possible e.g. examinations, fillings, extractions, preventive treatments. When visiting a public clinic or private practitioner, treatments for relief of pain, treatment of infection and denture repairs.
- (3) The holders of Health Care Cards are not eligible for subsidized dental care unless they satisfy the eligibility criteria. If they meet the eligibility criteria they have access to emergency care and general care at a subsidized rate. There is no free treatment. Dependent children of Health Care Card holders are eligible for essential specialist care at a subsidized fee.
- (4) The basis of eligibility and access to dental care has remained unchanged. The decision to extend eligibility to dependent children of Health Care Card holders not otherwise eligible for subsidized dental care was made to assist these low income families access essential specialist care for their children.

LEGAL AID - COMMISSION

*Director - Resignation*

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

What reasons did the former Director of the Legal Aid Commission, Ms Carol Bahemia, give for her resignation on June 30, 1997?

Hon PETER FOSS replied:

The Director gave as her reasons for resigning, that the Attorney General no longer had confidence in her and in those circumstances her position as Director was impossible.

MENTAL HEALTH ACT 1996 - REGULATIONS

864. Hon N.D. GRIFFITHS to the Minister for Finance representing the Minister for Health:

- (1) Are regulations pursuant to the Mental Health Act 1996 being drafted?
- (2) If so, when is it anticipated they will be gazetted?

Hon MAX EVANS replied:

- (1) Yes.
- (2) As soon as practicable following a period of consultation and finalisation.

HEALTH - AUSTRALIAN ENCEPHALITIS

*Broome*

868. Hon TOM STEPHENS to the Minister for Finance representing the Minister for Health:

What steps has the Minister for Health taken in response to suggestions that Australian encephalitis is being carried

by mosquitos breeding at Broome's wastewater treatment plant?

Hon MAX EVANS replied:

Mosquito surveillance is maintained at the site. Mosquitos trapped at this site have never yielded the viruses which cause Australian encephalitis.

#### HOSPITALS - BUNBURY REGIONAL

##### *Funding*

881. Hon J.A. COWDELL to the Minister for Finance representing the Minister for Health:

I draw the Minister for Health's attention to page 3 of the *South Western Times* of August 21, 1997, where it is reported that the Health Department's funding plans for Bunbury Regional Hospital amount to a 15 per cent decrease in budget -

- (1) Is the Minister aware that such a decrease means an end to elective surgery and a severe curtailment of casualty treatment at Bunbury Regional Hospital?
- (2) How can the Minister justify this withdrawal of health resources from the Bunbury region?

Hon MAX EVANS replied:

- (1)-(2) The information in the South Western Times on 21 August 1997 was not correct. In a letter of correction to the South Western Times, on 23 August 1997 Dr Graham Fisher, Director of Medical Services stated "in the past two years funding increases have permitted major transfers of service from Perth to the Bunbury Regional Hospital. When the new hospital site is occupied next year further increase in service will be able to progress. Major planning for integration of health services across the whole South West is nearing completion. When implemented, this new vision will strengthen service delivery within the South West, and define future growth." There has not been a withdrawal of health resources or funding from the Bunbury region. Elective surgery has not been withdrawn nor has casualty treatment at Bunbury Regional Hospital been curtailed.

#### QUESTIONS WITHOUT NOTICE

##### MINING - ACCIDENTS

##### *Fatal - Review of Underground Procedures*

**799. Hon MARK NEVILL to the Minister for Mines:**

Eight fatalities have occurred in the mining industry this year, most of which were the result of rock falls underground.

- (1) What action did the Minister for Mines take in response to the urgency motion in this House exactly one year ago on 16 October following four mine deaths as a result of underground rock falls and the Opposition's call for the Government to urgently review the methods and procedures in use in the underground sector of the mining industry for designing and implementing ground control systems and the need for improved monitoring and reporting of accidents?
- (2) Will the Minister or the Government immediately take the Opposition's and the State Mining Engineer's advice given a year ago and establish an inquiry to review the support systems for ground control in underground mines?

**Hon N.F. MOORE replied:**

- (1)-(2) I share the concerns of the member over the recent spate of fatalities in the mining industry. As we both know, the industry safety record has been quite good recently. Over the past 10 or 15 years the mining industry has developed an enviable record of safety in the workplace. That credit goes to, I think, the people within the Department of Minerals and Energy who are given the task of ensuring, to the best of their capacity, that minesites in Western Australia are safe. That is not to deny that mining is a dangerous industry; it is a fact of life. Nonetheless, I am as concerned as anyone about the recent spate of fatalities in the mining industry. The most recent fatality was not underground, but involved a truck which crashed into a wall.

Hon Mark Nevill: I said most of which involved rock falls.

Hon N.F. MOORE: Not all fatalities have occurred in underground operations; nonetheless, fatalities are not acceptable. I have called an urgent meeting, to be held this week, of the Mines Occupational Health and Safety Advisory Board, the tripartite body which provides advice to the Minister on these matters. We will reassess our programs and processes and do whatever is humanly possible to ensure that we find out whether a trend is developing or processes are not being adhered to, whether rules and regulations are satisfactory or whether we should make significant or minor changes to the way things are done. Members can be assured that the Government shares their concern.

I was brought up in the mining industry and can remember when a next door neighbour of mine was killed underground. I clearly recall the enormous trauma that family experienced. When I became Minister for Mines I made it clear to the Department of Minerals and Energy that mine safety was one of my first priorities and that the department had to ensure that the very best processes were in place.

Compared with many other parts of the world we have a relatively safe mining industry; nonetheless, fatalities are not acceptable. Following MOHSAB's meeting with WMC Resources Ltd to thrash out the situation I hope some recommendations will emerge that can be implemented quickly to put an end to these unfortunate circumstances.

#### MINING - MINES OCCUPATIONAL HEALTH AND SAFETY ADVISORY BOARD

##### *Recommendation*

#### **800. Hon MARK NEVILL to the Minister for Mines:**

- (1) As the Minister expressed in the debate a year ago, is he still satisfied with the Mines Occupational Health and Safety Advisory Board's recommendation that WMC Resources Ltd's elimination of fatalities task force will do the job for the State and the Government?
- (2) What action has MOHSAB taken following WMC's review?

#### **Hon N.F. MOORE replied:**

- (1)-(2) If my memory serves me correctly, that debate about the level of safety in the mining industry centred on some WMC operations. WMC Resources Ltd has established a strategy to eliminate fatalities within its operations. From what I know of the strategy, it involves a significant cultural change within the company which it acknowledges. WMC Resources Ltd is as concerned as we are that a number of these fatalities have occurred within its operation. I am not aware now, but I will be before the week is over, whether MOHSAB is satisfied with what WMC is doing. As soon as the meeting is held I will be better able to answer the member's question about the success or otherwise of WMC's elimination of fatalities program.

#### SMALL BUSINESS - PAULINE HANSON

##### *Effect of Views on WA's Trade Performance*

#### **801. Hon TOM STEPHENS to the Leader of the House representing the Minister for Small Business:**

I draw to the attention of the Minister the comments on Pauline Hanson by Mr Bill Gurry, Managing Director of SBC Warburg, who was reported in *The Australian* as saying that the country's leadership did not act quickly enough to reject the views she is pushing. Given that a prominent businessman has today urged Western Australian small business to form partnerships with local Asians, I ask -

- (1) Has the Minister commissioned, or is he in the process of commissioning, any research into whether Ms Hanson's profile is harming Western Australia's trade performance?
- (2) If not why not, and will he now join with such senior coalition figures as Alexander Downer and Tim Fischer in condemning the views of Ms Hanson?
- (3) Will the Minister lobby for the National Party in Western Australia not to preference the One Nation Party in any future poll?

#### **Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) No.
- (2) These views have already been expressed at the National Party's conference in August this year.
- (3) Yes.

## FORESTS AND FORESTRY - REGIONAL FOREST AGREEMENT

*Assessment***802. Hon NORM KELLY to the Minister representing the Minister for the Environment:**

- (1) Has the Government requested an extension to the December 1997 deadline for the completion of the assessment stage of the Regional Forest Agreement?
- (2) If not, how will the social impact assessment phase be affected?
- (3) Will the Government curtail any aspects of community participation in the RFA process in order to meet the deadline?
- (4) It is argued that the strength of the RFA lies in the fact that communities are able to have a voice in the decision making process. Is the Minister aware that community groups have expressed concern that they are now being excluded from the RFA process?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) No.
- (2) A comprehensive social values and social impact assessment will be carried out for the Regional Forest Agreement.
- (3)-(4) This information is being collated and, therefore, I request that this question be placed on notice.

## MINING - GOLD

*Sell Offs by European Central Banks***803. Hon TOM STEPHENS to the Leader of the House representing the Treasurer:**

I refer to the report in *The Australian Financial Review* of Monday, 15 September in which leading gold analyst Gold Fields Mineral Services predicts further gold sell offs by European central banks, and ask -

- (1) Does the Minister agree that these sell offs will have an impact on the price of gold?
- (2) If yes, what are his estimates of that impact on the Western Australian gold industry?
- (3) In the light of GFMS' prediction that nearly half the world's goldmines will be unable to make an accounting profit following these sell offs, will the Government now abandon its proposed gold royalty?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) The Treasurer notes that there has been considerable speculation recently about the gold price and whether the current downturn is due to cyclical or structural factors. He does not consider that it is appropriate for him to comment on the impact of possible gold sell offs by European central banks, as it would only fuel further speculation regarding the gold price and lead to greater uncertainty in the market.
- (2)-(3) The Government has already agreed to defer the introduction of the gold royalty so that it will apply only to gold produced after 1 July 1998 and initially at a rate of only 1.25 per cent. That is half the rate applicable to other metals under the Mining Act. Furthermore, the Government has deferred any increase in the royalty rate to 2.5 per cent to 1 July 2000, and has made this conditional on the gold price being at least \$A450 an ounce.

The Treasurer also notes that a recent commodity report published by Westpac Banking Corporation has forecast a recovery in the gold price by 1999.

## RAILWAYS - WESTRAIL

*Effect of Transport Ministers' Meeting***804. Hon MURRAY MONTGOMERY to the Minister for Transport:**

What impact will last week's meeting of Transport Ministers have on Westrail's operations?

**Hon E.J. CHARLTON replied:**

A meeting was held in Melbourne last week to bring into play by the middle of November a commitment from all jurisdictions across mainland Australia to a plan for safety, communications and axle loads - dimensions of trains - to enable a one-stop shop to be in place for all rail operators across the nation.

The second part of the equation is to have the funding required to upgrade railway lines in Australia, because currently trains are travelling at an average speed of 50 kilometres an hour across the nation. With all the other impediments I mentioned of safety, communications and loadings, that speed does not allow anybody to run an efficient rail service across Australia.

Westrail has in place an upgrading program between Perth and Kalgoorlie. As Western Australia is upgrading its part of the network, I wanted other States to do the same thing. That is why I instigated the conference in Melbourne last week, following all the work carried out between May and last week. There will be no effect on Westrail, but an attempt is being made to bring other railway operators across Australia into line by using the same communications, safety and other regulations in the network to enable all operators to have synergy in the way they operate.

## ENVIRONMENT - STEPHENSON AND WARD INCINERATOR CO PTY LTD

*Incinerator Site - Cytotoxic Material***805. Hon J.A. SCOTT to the Minister representing the Minister for the Environment:**

- (1) How much by weight of -
  - (a) cytotoxic materials; and
  - (b) gross medical tissue affected by cytotoxic chemicals
 is sent for disposal to the Stephenson and Ward incinerator in Welshpool?
- (2) Is this all disposed of at the Stephenson and Ward incinerator?
- (3) If not, where is it disposed of?
- (4) Is any other cytotoxic material and biomedical tissue disposed of and where?
- (5) How much biomedical waste is disposed of at the Stephenson and Ward incinerator in Welshpool?
- (6) What percentage of plastic is included in this waste?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question. The information is being collated and I request the member to put the question on notice.

## LAND - WELLSTEAD

*Release for Building Blocks***806. Hon MURIEL PATTERSON to the Minister representing the Minister for Lands:**

Has the Department of Land Administration refused to release land for building blocks in the town of Wellstead as stated in today's edition of the *Albany Advertiser*, and if so, on whose authority?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question. No. The land in question is subject to five native title claims. The Department of Land Administration is negotiating with the claimants, in accordance with the provisions of the Native Title Act, in an effort to progress the land release.

## MINISTRY OF JUSTICE - JUVENILE JUSTICE SECTION

*Employees - Criminal Record***807. Hon CHERYL DAVENPORT to the Minister for Justice:**

- (1) How many Ministry of Justice employees working in the juvenile justice section have a criminal record?
- (2) Do any Ministry of Justice employees working in the juvenile justice section have criminal records as



sexual offenders?

- (3) If yes, how many have such records?
- (4) What is the policy of the Ministry of Justice on the employment of personnel with a criminal record of this nature?

**Hon PETER FOSS replied:**

I thank the member for some notice of this question.

- (1) The juvenile justice section deals with issues relating to criminal records either at recruitment or as they come to its notice for currently employed staff on a case by case basis. Aggregated statistics are not available.
- (2)-(3) The Ministry of Justice is not aware of any staff member in the juvenile justice section having a criminal record as a sexual offender.
- (4) A criminal record does not necessarily disqualify an applicant. It is dependent on the nature of the record, the position being applied for and the period since the conviction. Decisions are made on a case by case basis. However, criminal records of a serious violent or sexual nature would preclude the person from being considered suitable for employment. The ministry is drafting procedures for examining criminal records of all applicants for employment and existing staff on an ongoing basis.

I have been asked a number of these questions recently. I am not sure whether they are random or motivated by some information members have. If members have knowledge of a particular case where they believe a person with an inappropriate criminal record is working in the department, I ask them to please let me know and I will have the matter investigated.

#### HOMOSEXUALITY - AGE OF CONSENT

##### *Effect on HIV/AIDS Prevention Strategies*

**808. Hon HELEN HODGSON to the Minister representing the Minister for Health:**

- (1) Is the Minister aware that the discriminatory age of consent laws for homosexual males in Western Australia have been criticised by the Australian Federation of AIDS Organisations, the World Health Organisation and the Australian Medical Association because of evidence that such laws hinder effective HIV/AIDS prevention strategies and education?
- (2) Given that Western Australia has the highest age of consent for homosexual males in the nation and the world, what strategies does the Health Department adopt to deliver effective HIV/AIDS prevention strategies and education to homosexuals under the age of 21 years?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) No.
- (2) The Health Department of Western Australia is committed to peer education in this area, and funds the Western Australian AIDS Council to provide education prevention programs for homosexual males.

#### FUEL AND ENERGY - SUSTAINABLE ENERGY

##### *Excise Duty and Carbon Tax - Effect*

**809. Hon GIZ WATSON to the Minister representing the Minister for Resources Development:**

With reference to the Western Australian Government's submission to the Federal Government task force preparing a White Paper on sustainable energy policy for Australia, can the Minister explain the following -

- (1) How does the withdrawal of excise duty on non-road use of diesel and distillate fuels encourage a wider use of renewable energy remote area power supplies?
- (2) How does the withdrawal of excise duty on non-road use of diesel and distillate fuels lead to a sustainable use of fossil fuels?
- (3) How does the Western Australian Government's reaffirmation, in its submission, of the federal policy not

to introduce a carbon tax assist in the development of a sustainable energy policy?

- (4) How does the Western Australian Government's reaffirmation, in its submission, of the federal policy not to introduce a carbon tax assist in the reduction of carbon dioxide emissions?
- (5) Why does this submission make no mention of the correlation between sustainable energy use and greenhouse emissions?
- (6) On what basis does the submission state that "the sources of energy used are sufficiently extensive and adaptable to enable the level of demand to be supported and maintained"?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) As the predominant application of renewable energy remote area power supplies are for homesteads belonging to farmers or pastoralists who can already claim a diesel fuel rebate, the withdrawal of the excise duty rebate will have minimal effect on the use of these supplies.
- (2) The withdrawal of excise would not have any substantial impact on fossil fuel use, since for many applications there is no immediate feasible alternative fuel source and the only outcome is that customers and industry pay more if no rebate of excise is available.
- (3) A carbon tax would have significant economic impact on projects in Western Australia, which must compete internationally at world prices when their competitors elsewhere are not inhibited by such a fiscal device. The sustainability of energy must include concerns for the sustainability of our economy.
- (4) As in the answer to the previous question, a carbon tax is not a preferred measure to assist industry achieve reductions in carbon dioxide emissions.
- (5) The submission was to address issues of relevance to Western Australia that, in the Government's view, had not been adequately covered in the draft material.
- (6) The State is endowed with ample resources of coal, gas, oil and renewables which, together with the availability of fuels currently being imported for specific uses in Western Australia, support the statement.

**TOURISM - BRAND WA ADVERTISING CAMPAIGN**

*London Launch - Elle Macpherson's Presence*

**810. Hon LJILJANNA RAVLICH to the Minister for Tourism:**

I refer to the attendance of Elle Macpherson at the London launch of Brand WA.

- (1) Who contacted Macpherson or her representatives to organise her attendance at the launch?
- (2) When was the contact made?
- (3) Was a new contract signed with Elle Macpherson?
- (4) If so, who carried out the negotiations?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1)-(3) I refer the member to the answer to question without notice 742.
- (4) Grant Donaldson, Kevin Carton and Simon Walsh carried out the negotiations.

**EDUCATION - DEPARTMENT**

*Conference - Esplanade Hotel*

**811. Hon JOHN HALDEN to the Leader of the House representing the Minister for Education:**

- (1) Was the Esplanade Hotel used over the weekend by the Education Department as a venue for a staff conference?
- (2) What was the purpose of the conference?

- (3) How many people attended?
- (4) What is the total anticipated cost of the conference, broken down into accommodation, meals and travel expenses?
- (5) How many guest speakers were arranged for the conference and at what cost?
- (6) What process was used to select the Esplanade Hotel as the most appropriate venue for this conference?

Hon Mark Nevill: It should have been in my electorate.

**Hon N.F. MOORE replied:**

Perhaps it should have been. I thank the member for some notice of this question.

- (1) Yes.
- (2) The purpose was an induction program for the newly appointed district directors of schools.
- (3) Twenty-five people attended the conference.
- (4) The cost of the accommodation and breakfast package was \$8 400; for seminar rooms, \$1 040; for meals, \$3 600; and for travel, taken from the travel budgets of the district directors, \$2 915 - a total of \$15 955.
- (5) There were three guest speakers at an approximate cost of \$2 002.
- (6) Quotations were obtained from three possible venues. The Esplanade Hotel provided the most appropriate conference and break-out rooms for the activities.

SENIORS - ABUSE

*Government Action*

**812. Hon RAY HALLIGAN to the Minister representing the Minister for Seniors:**

What initiatives can the Government put in place to help prevent abuse of elderly people?

**Hon E.J. CHARLTON replied:**

The State Government, through the Office of Seniors Interests, has allocated funds to improve the access of seniors and the general public to elder protection advice and assistance from government and non-government agencies. On 24 August 1997 the Minister for Seniors launched guidelines for departments entitled "Elder Protection - A Protocol for Government Agencies". The protocol will assist departments to identify abuse and to intervene more effectively. It was produced following extensive consultation with a number of departments and non-government agencies. The Minister also announced the establishment of an 18 month statewide project to provide training to government departments and non-government agencies in the management of elder abuse. The project will be managed by the Council on the Ageing (WA) and will include the provision of case consultation and support to service providers.

STATE FINANCE - TOBACCO EXCISE

**813. Hon KIM CHANCE to the Minister for Finance:**

I draw the Minister's attention to reports that tobacco retailers and the State Government are accusing each other of holding approximately \$30m which has been improperly collected. Will the Minister inform the House of the facts of this matter and what steps he is taking to ensure this money, if improperly collected, is returned to the manufacturers or, if properly collected, is used to benefit the Western Australian public?

**Hon MAX EVANS replied:**

The Treasurer has been handling liquor, fuel and tobacco excises and is coordinating this matter with relevant agencies in the Eastern States. I ask that the question be put on notice to the Treasurer.

SPORT AND RECREATION - AEROBICS CHAMPIONSHIP

*Healthway Sponsorship*

**814. Hon KEN TRAVERS to the Minister representing the Minister for Health:**

I refer to the Healthway sponsorship of the aerobics championship recently held in Perth, which, according to the

Australian Gymnastics Federation, left debts of \$350 000.

- (1) Did Healthway allocate \$22 000 in sponsorship for this event?
- (2) Did Healthway give \$6 000 to the sports medicine association to carry out a promotion of the same event?
- (3) Is he aware that Peter Gianoli is a director of the company that organised the event?
- (4) Was Peter Gianoli a member of the Healthway committee when the decision to allocate funds to this event was made?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) Healthway allocated \$22 000 to the WA Competitive Aerobics Federation for Aerobica - 1997 FIG Sports Aerobics World Championships.
- (2) Healthway allocated \$6 000 to Sports Medicine Australia (WA) to promote the SPORT SAFE message at the event. This is part of \$12.9m which Healthway gets from the tobacco smokers around this House! We thank them, because otherwise we would not be able to contribute to this extent. In allocating this type of funding, one amount goes to the organisation running the event and the other goes to Sports Medicine Australia to put out its message. The larger part of the grant goes to the event and the smaller part goes to an organisation, such as Diabetes Australia or the National Heart Foundation of Australia (WA).
- (3) Yes.
- (4) The board of Healthway made the final decision to allocate funds to this event, based on recommendations of the sport advisory committee. Mr Gianoli has never been a member of the Healthway board. Mr Gianoli was, however, a member of Healthway's sport advisory committee which considered the application from the WA Competitive Aerobics Federation. In accordance with Healthway policy, Mr Gianoli declared an interest, left the meeting room during discussion on this application and, therefore, took no part in the committee's deliberations or recommendations concerning the application.

#### ENVIRONMENT - STEPHENSON AND WARD INCINERATOR CO PTY LTD

##### *Incinerator Site - Toxic Materials*

**815. Hon J.A. SCOTT to the Minister representing the Minister for the Environment:**

- (1) What tests for dioxins are carried out at the Stephenson and Ward incinerator in Welshpool?
- (2) What levels of fly ash are produced at the Stephenson and Ward incinerator?
- (3) What toxic materials and harmful residues are produced at the Stephenson and Ward incinerator?
- (4) Why is the Department of Environmental Protection recommending the option one clean-up?

**Hon MAX EVANS replied:**

I do not have an answer to that question.

#### GOVERNMENT CONTRACTS - SELECTION CRITERIA

##### *Corporate Crime or Bankruptcy*

**816. Hon HELEN HODGSON to the Minister representing the Minister for Services:**

- (1) What selection process is undertaken by the Government in the investigation of banking, legal, audit, accounting, valuers or other organisations prior to contracting the services of such organisations?
- (2) Does that selection process identify whether such organisations, or their principals, have been convicted of corporate crime or declared bankrupt?
- (3) Does that selection process identify whether such organisations have been principal advisers to people who have been convicted of corporate crimes or declared bankrupt?
- (4) If so, what action is taken?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) State Supply Commission policy requires that a competitive process, by either quotation or public tender, be used for the contracting of services. All requirements should specify the selection criteria for the service to be provided, consistent with the scope and value of the contract. Typical selection criteria would include demonstrated experience, capability to deliver the service, skills and ability of key personnel, referees and references sites.
- (2) It is normal practice that agencies undertake appropriate due diligence in relation to financial capacity, corporate structure, and capacity to deliver the service; and, depending on the type of services, agencies should consider security clearances.
- (3) The due diligence process focuses primarily on the capacity of the service provider, which includes examining previous relevant experience, together with key customers and contracts. This level of scrutiny should provide sufficient confidence in the professional standing and reputation of service providers.
- (4) Agencies should adopt a risk management approach depending on the service required and natural justice considerations. Action could range from non-acceptance of the tender to removal of personnel from a tender, or additional contract management requirements.

#### TRANSPORT - BUS

##### *MetroBus - Fleet Management Contract*

**817. Hon J.A. COWDELL to the Minister for Transport:**

- (1) Have tenders for the MetroBus fleet management contract closed?
- (2) How many tenders were received?
- (3) How many contracts will be awarded?
- (4) What is the total value of the contracts?
- (5) How many of the contractors will be WA based?

**Hon E.J. CHARLTON replied:**

I thank the member for some notice of this question.

- (1)-(5) The tender for Transperth fleet management, called by the Department of Transport, closed on 15 August 1997. MetroBus has not issued a fleet management tender.

The tenders received are now being evaluated. At the conclusion of the evaluation process, an evaluation report, including recommendation of the preferred tenderer, will be forwarded to the Government. The evaluation of tender is expected to be completed in December 1997. At this stage it would be inappropriate to publicly nominate the parties who tendered, and the process of that tender.

It is important for members to understand that this is not just a tender for 100 or so buses. This is a long term tender for a total fleet management, financing and bus replacement program. It is a very in-depth and complicated tender because we want to get the maximum result from it for the benefit of the State over a long period. It will take some evaluation.

#### PARKS AND RESERVES - NATIONAL

##### *Millstream-Chichester - Road and Rail Developments*

**818. Hon GIZ WATSON to the Minister representing the Minister for the Environment:**

With the potential for road and rail development to pass through the Millstream-Chichester National Park, what processes does the Government have to use to excise or permit these road or rail developments to occur within the national park?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question. This information is being collated and I therefore request that this question be put on notice.

TRANSPORT - ROTTNEST AIRLINES

*Perth-Mt Magnet-Cue - Route Protection*

**819. Hon TOM HELM to the Minister for Transport:**

What action is being taken by the Department of Transport to enforce the route protection guaranteed to Rottnest Airlines for its scheduled Perth-Mt Magnet-Cue flights? If no steps are being taken, why not?

**Hon E.J. CHARLTON replied:**

I cannot give a precise answer to the question. The member may place it on notice or I will get the information for him for tomorrow, whichever he prefers.

SPORT AND RECREATION - AEROBICS CHAMPIONSHIP

*EventsCorp - Funding*

**820. Hon KEN TRAVERS to the Minister for Tourism:**

On 9 April the Minister said in response to a question on the funding of the recent aerobics championship that EventsCorp funded the bid for the event, which involved a brochure, air fares, accommodation and ancillary costs.

- (1) Was the cost of this bid included in the \$117 113 that the Minister referred to when asked the total amount given to the organisers of the aerobics event?
- (2) If not, will the Minister provide details of the funding bid and the total cost to EventsCorp for this bid?

**Hon N.F. MOORE replied:**

I am told that this question was asked by Hon Tom Stephens, not Hon Ken Travers. I cannot find the answer in my file under either of those members' names. It may not have arrived in time for today's sitting. I suggest the member ask the question again tomorrow. In the event that I cannot answer it tomorrow, I will ask him to put it on notice.

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