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(HANSARD)

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LEGISLATIVE COUNCIL

Thursday, 25 November 1999

Legislative Council

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THE PRESIDENT (Hon George Cash) took the Chair at 10.00 am, and read prayers.

DERBY TIDAL POWER PROJECT

Motion, as Amended

Resumed from 24 November on the following motion, as amended, moved by Hon Tom Stephens (Leader of the Opposition) -

That this House -

(1) Welcomes the positive adjudication of the EPA's review assessment of the Derby tidal power project and the State Government's announced decision that would see further Cabinet consideration of the tidal energy's "best offer" and comparison with the final proposal from Energy Equity Woodside.

(2) Calls on the Leader of the House representing the Minister for Energy to -

(a) table all the papers and documents used by the Office of Energy in its selection of the gas power project and the demotion of tidal power to the reserve list;

(b) outline what specific weight has been given to regional economic and infrastructure development needs in arriving at the decision to select gas.

(3) Urges the State Government to work with the proponents of the Derby tidal power project, and the Derby-West Kimberley Shire Council, in a joint approach to the Federal Government to seek federal funding for the project.

(4) Calls on the Federal Government to allocate funds to the Derby tidal power project from the annual $66m that is to be spent on renewable energy power supplies for remote areas from the $360m renewable energy funds.

HON TOM HELM (Mining and Pastoral) [10.03 am]: I remind the House that the overwhelming majority of people in the Kimberley support this project. We need to get behind those people. However, we also need to recognise that a minority of people do not support this project. Three of the five members from Mining and Pastoral Region have stood and nailed their colour to the mast, as it were, and said how they feel about this project. It deserves our support. Liberal Party members met with the Prime Minister yesterday, and I hope he will be able to give us some financial support in the Kimberley for this project to go ahead. I commend the enthusiasm and work of the people in the Derby-Kimberley area and look forward to seeing this project come to fruition.

HON GIZ WATSON (North Metropolitan) [10.05 am]: I appreciate the opportunity to talk about the Derby tidal power project. Members may be aware that my background is in environmental management, so I have taken a particular interest in this project and in assessing how this project will impact on the environment and whether it can be managed in an acceptable way, and I took the time to write a submission about the original proposal. Hon Tom Stephens made the comment in this debate that a little knowledge is a dangerous thing. We need to be very careful in assessing the environmental impact of this proposal, because it involves quite a complicated process. The details about matters such as a cost benefit analysis of this project have not been provided. Numerous claims have been made about this project with regard to how much energy it will produce, what the net energy benefit will be, and what it will do to reduce greenhouse gas emissions in this State. The Greens (WA) thoroughly support and advocate the reduction of greenhouse gas emissions. However, this project has become very much a political football, and the danger in that process is that decisions are made for the wrong reasons. The Greens acknowledge that the regional areas of Western Australia are disadvantaged and may well benefit from innovative renewable energy projects, and we are most excited about that prospect. However, when those projects involve technology that is new or relatively new, it is very important that we get it right.

The fundamental issue with this tidal power project is that the title is a bit of a misnomer, because it is, in fact, a hydro-power project that will involve the damming of a river. The fact that it will utilise the 11 metre tides that occur in that area is a component of the project, but what is proposed to be built in Derby on the arm of Doctors Creek is a dam, and dams have a significant impact on the environment. There has been a reasonable amount of debate about what will be the effect on the mangrove communities in that area of damming that arm of the creek and whether it will lead to mangrove colonisation of areas that do not currently have mangroves on them. To some extent, that aspect of this project will be an enormous experiment. I have spoken to a number of experts in mangrove ecologies. Dr Eric Paling and Dr Vic Semeniuk, who did his PhD on the mangrove ecosystem, are divided in their opinion about whether the net effect of this project will be to reduce or increase the coverage of mangroves.

Hon Derrick Tomlinson: Which way does Semeniuk argue?

Hon GIZ WATSON: He argues that it will be disastrous. Of all the people in this State who have studied mangroves, he has a particular knowledge of that area and has produced several papers specifically related to that creek system. The other point that Dr Semeniuk pointed out to me was the prospect of building a barrage in an environment that is eroding landward at one metre a year.

Hon Derrick Tomlinson: Is that now?

Hon GIZ WATSON: Yes, currently. It is an enormous engineering challenge. It is important that members understand that the proposed technology for a tidal power barrage has been used twice elsewhere in the world. Both those projects were envisaged and built in the early 1970s when there was a panic worldwide about rapid increases in oil prices. There was an injection of research and interest in renewable energy, which was good. However, the technology of creating a barrage and then generating our own electricity from that particular head of water evolved in that climate. The two sites currently producing energy from a similar tidal dam are the La Rance project in Saint-Malo, France and the Bay of Fundy, Canada. Both of those environments are totally dissimilar to the extremely turbid conditions of our tropical waters. The rate of sedimentation that would occur in our environment is a completely different scenario. When water is retained in a basin, the sediment load drops out. One of the problems that the proponent in this case will face, if the project goes ahead, is an enormous budget for dredging in order to maintain the depth in the basin in the arm of the river which will be permanently dammed.

Hon Greg Smith interjected.

Hon GIZ WATSON: Yes. However, I have seen nothing presented about the energy cost of that dredging in this proposal.

Hon Greg Smith: It is zero cost.

Hon GIZ WATSON: It is not zero cost. The other issue concerning the use of a tidal creek off the Kimberley coastline is that it is an area of very high sedimentation and movement of sediment. The coastal area there is eroding at a rate of 1 metre a year. The engineering challenges of constructing such a barrage on more than 10 metres of mud is enormous. When I looked at the project -

Hon Greg Smith interjected.

The PRESIDENT: Order! The fans are on and I cannot pick up the interjection. If Hon Greg Smith wants to interject in a sensible way, he should at least direct it towards this end of the Chamber so that it can be recorded.

Hon GIZ WATSON: The issue concerning the construction of such a dam wall on basically a sedimentary coastline has never been attempted anywhere in the world. One of the problems that my office identified when we made a submission to the original consultative environmental review of the proposal was that the preliminary drilling to establish where the barrage could be pinned into the bedrock had occurred to a depth of more than 10 metres and a stable base still had not been found to pin it to a suitable barrage wall.

The other issue we identified was that in order to elevate the level of water in that creek, the proponent's height data for the arm of the bank to contain the new area being dammed below the level to which the water would be raised would have resulted in a scouring effect out over that mud bank back into the ocean. Interestingly enough, as soon as we submitted our proposal, the very next day the proponent rang my office and said, "How did you work that out? We will have to go back and look at this again." I am not an engineer, but I have a very good research officer and we thoroughly investigated this proposal. As I said, the Greens (WA) would dearly love to support renewable energy, but not if it is based on flawed engineering and inadequate figures. I believe the proponents have gone away to look at the issue of scouring, which is fine, but it indicated that they were running on some very scant information.

Perhaps members are aware that the Greens have commented on this proposal in the media. I repeat that we are fully supportive of projects that reduce greenhouse emissions and reduce our dependency on diesel, in this case, and provide a sustainable energy output. However, any such proposal must be carefully weighed up against the environmental impact. The proposal that I suggest to the House, which proposal I suggested in the media, is that technology is available which can utilise the enormous amount of energy in the 11 metre rise and fall of the tidal flow in these areas to the north of WA. However, what we need is what are called "tidal fences" which are placed midstream in the main flow of the tidal creeks. The advantage of that system is that it does not affect the environmental flow so that energy is able to be harnessed as it comes through a turbine.

Hon Derrick Tomlinson: Wouldn't that give you intermittent energy?

Hon GIZ WATSON: Yes, there is the problem about what happens at the time of a slack tide and so on and there is a need to address the issue of perpetual supply. That is the main reason for the proponent preferring a damming hydro system and not a tidal system. However, we must weigh up the cost benefits and the impact on the environment versus a system that will utilise that energy. It will not affect the marine ecology as there will be no change to the ecosystem by simply creating a lake; the natural sediment processes continue.

Members may not appreciate that the dynamics of mangrove systems are such that it is not enough to simply say that if we change the level of inundation we will therefore create other areas where mangroves grow. The issues that affect where mangroves can grow relate to the rate of flow, the dwell time and a great deal of other factors, not merely to what level the area is inundated. Therefore, one must appreciate that the issues surrounding the very dynamic mangrove system is all those things in addition to experimenting with the system in a way that has never been done before. Perhaps it will regenerate in such a way that there will be a net gain as opposed to a loss of mangroves. Interestingly enough, the Department of Environmental Protection has a policy of no net loss of mangroves on our coastal systems. The DEP recognises the importance of mangrove systems for the marine ecology and for stabilising the coastline.

Hon Derrick Tomlinson: If there were a net loss, what is the estimated maximum worst case scenario of loss?

Hon GIZ WATSON: It is several thousand hectares. I am afraid I cannot give the figure off the top of my head.

Hon Greg Smith interjected.

Hon GIZ WATSON: The coastline also will be affected.

Hon Greg Smith: There will be a change in the levels in the tidal creek system - a very small tidal creek system.

Hon GIZ WATSON: I draw to the attention of the House some of the comments made in the submission process for this project. I refer particularly to an issue commented on by the Water and Rivers Commission which, to my knowledge, has not received any attention. When the hydrology of this area is changed in such a significant way by the introduction of a body of water at the height intended, it will create an enormous amount of hydraulic pressure. The Water and Rivers Commission noted in its submission to the consultative environmental review -

> There are also concerns of further possible salinity infiltration in the groundwater area that is currently servicing the Derby Town site and surrounding private residences. The CER does acknowledge the salinity intrusion is a major potential impact of the proposed power station on groundwater, however, does not provide any modelling of the likely impacts or outline possible remedies to the problem. The salinity intrusion will ultimately have a devastating effect on the use of the groundwater area as a drinking water source for Derby and on other vegetation reliant on fresh water. It is recommended that further investigation regarding the potential impacts of salinity intrusion into the Derby groundwater area is required.

I am sure that is news to most members. I have not seen or heard anything in the public debate referring to the implication of the proposal for ground water. That is a precious commodity for Derby and the ecosystems around Derby, particularly the continued supply of fresh water to the townspeople. I have not heard of any modelling nor have I heard of this being discussed as a potential problem through the creation of an enormous basin of salt water. I share the concerns of the Water and Rivers Commission.

Hon Greg Smith interjected.

Hon GIZ WATSON: That is a different scenario.

Hon Greg Smith interjected.

Hon GIZ WATSON: Yes, for about half an hour. It is different when it exists 24 hours a day. Perhaps Hon Greg Smith should study a little more about hydrology to understand that is a different scenario. Perhaps the Water and Rivers Commission has some expertise in that area.

Hon Greg Smith: It is a "what if" scenario.

Hon GIZ WATSON: It is not.

The impact on the marine ecosystem has received some attention. I have met twice with the proponent to discuss the proposal, which meetings I found very interesting. I certainly appreciated the information the proponent provided. The issue of entrapment by turbines of marine organisms is not resolved in its proposal. The two existing tidal power systems that are similar in France and England have both been severely modified because they are dammed. The flow of water passes through turbines that chop up any marine organisms that would otherwise pass naturally in and out of those embayments.

One of the claims concerning this project is that it will enhance mariculture - salt water aquaculture - and will not adversely affect the fish life in King Sound. That is simply not possible. I understand the proponent has referred to various races that would allow marine biota to circumvent the turbines. According to international correspondence I have received on this issue from people in Canada, that is not possible. It does not happen. Our proposal is to have an in-stream turbine which will allow marine organisms to flow in and out because the turbines are different and only part of the flow is captured.

I agree that it is an unknown. Whatever I suggest might be the impact is only my best estimate. Any of these assessments about environmental impacts are only assessments. We are conducting experiments on our planet that have not been done before and one of them is this proposal to dam our creek system. I refer to a comment made by Fisheries WA to the CER in a letter dated 29 January which reads -

> Because the proposed tidal power station will be the first to be constructed in Australia conclusions about its likely effects on the biota of the two arms of Doctors Creek are in some instances speculative. Comparisons have been made with tidal power stations in England and France but, as the CER comments, the marine environments are totally different.

Fisheries WA also said in a letter dated 4 March -

> The main target species of recreational fish in the area include mud crabs, threadfin salmon, barramundi, mangrove jack, and to a lesser extent, a variety of emperor. The effect of the tidal power station on the life cycles on all fish species, but particularly those fish species, is also of concern. It is considered impossible to confidently predict the effect, if any, that the tidal power station may have on these species in the medium to long term. It is therefore recommended that the EPA liaise with Fisheries WA about the development of a suitable long term monitoring project to be carried out by the proponent.

The letter from Fisheries WA of 29 January says further -

> Most of the fish species in the creek are adapted to a turbid and sometimes shallow environment, particularly around mangroves, and their ability to cope with the more clear permanent waters which will arise is not clear. Presumably there will be a change in the relative numbers of each species but whether that will be beneficial to all the existing commercial and recreational fisheries in the area is also not clear.

> Mud crabs may well be reduced in numbers since movement of females out of the creek to the open ocean to spawn is influenced by the tide and could be impaired by the barrages as could the movement of juveniles into the creek. Increased use of drop netting as the method for catching the crabs rather than hooking or hand methods will occur since the creek will permanently contain water.
>
> It is not definite that fish will exist in large numbers from the west arm of the creek when the rate of water flow through the sluice gates is opportune. However, fish may also exit from this arm by passing through the turbines -

It says in brackets "hopefully unharmed". That is wishful thinking. To continue -

> - into the east arm, but only small fish will be able to traverse the mesh around the turbines.

Members must understand the way small fish cope with reducing impact on the turbines as they mesh over them. The mesh, therefore, determines the size of whatever organism can come out of the system automatically.

On the impact on the marine ecosystem I refer again to the Water and Rivers Commission's submission, which reads -

> There are also concerns with regard to the potential impact on the aquaculture habitats located in the east branch of Doctors Creek. The proposed power station will be required to reduce the level of water located in the east branch, to a level that will destroy existing flora and fauna habitats. It is recommended that investigation for both east and west branches are designed to include marine habitats, in particular to ensure that the natural ecology is uninterrupted.

The following will answer Hon Derrick Tomlinson's question -

> The loss of 1,500ha of mangroves may also lead to a reduction of oxygen in the sediments leading to release of nutrients from the sediments. This may lead to increased algal activity. The report does not adequately address possible algal blooms or their management.
>
> Water quality is also likely to change dramatically as a result of the empowerment of both the east and west branch of Doctors Creek. The potential impacts of those changes on fish populations and mangrove colonies has not been detailed in the report.

Hon Derrick Tomlinson: That is only 1 500 hectares. It includes the mangroves along the creek.

Hon GIZ WATSON: That is right. Everyone acknowledges that the immediate impact of flooding will result in a mass die-off of mangroves that are inundated with the flood waters. A major contributor to greenhouse gas emissions is the clearance and decomposition of vegetation. I have not seen a figure for the net contribution to greenhouse gas emissions from the destruction of 1 500 ha of mangroves.

Hon Greg Smith: About 1 500 cows; they are the biggest contributor to greenhouse gas emission. I read that somewhere.

Hon GIZ WATSON: Hon Greg Smith reads some very interesting articles! To establish the net benefit or otherwise of this project in terms of its contribution to the reduction in greenhouse gas emissions, we must take into account the destruction of the existing environment. We must put on the other side of equation a prediction about uptake of the greenhouse gas, CO_2, and the regrowth of mangroves. Mangroves will be established in some areas that do not have them currently. As the Hon Greg Smith said, it is all speculation and the best estimates of scientists who have some knowledge of that area.

To understand whether there is likely to be a net reduction in greenhouse gas emissions and what that amounts to, as decision makers we must also take into account the energy cost of building this project, the cost of the extraction of materials to create the barrage, and the cost of the energy required in the physical construction phase. This issue has been raised with me by those in the scientific field.

Hon Greg Smith: The member is drawing a very long bow in taking into account those emissions. We have not taken that into account when we talk about diesel and gas-fired power stations.

Hon GIZ WATSON: I have not got to that part yet; I might if the member gives me a chance. We must have a realistic cost benefit, and a balance which illustrates what this project will contribute towards reducing greenhouse gas emissions. I believe it will do that; I am not saying that it will not. All I am saying is that no figures on greenhouse gas emissions have been presented that show the cost of creating this project and its ongoing maintenance, compared with that for energy generated by a diesel power station or methane power station, or whatever. That equation has not been done.

When we are talking about accessing public funds that have been earmarked to achieve the pathetic commitments Australia has given to reduce greenhouse gas emissions, we must think carefully about the net benefit of this sort of project. Public moneys should be earmarked to bring down the greenhouse gas emissions in a big project like this. The estimate of the cost of this project given to me nearly 12 months ago by the proponent has blown out by three times already. What other costs will be added to it? If we are to make a contribution to reducing greenhouse gas emissions, let us look at putting a solar heater in every house in Western Australia. That is known technology and would benefit Western Australian companies.

Hon Greg Smith: What about if we add up the cost of using plastic and steel in every house?

Hon GIZ WATSON: I have raised the issue of reducing greenhouse gas emissions and energy consumption. If we could guarantee that public money would be used to subsidise existing technology to address the cost of heating water - in this State and in any western country it equates to about one-third of the energy consumed - that technology could be installed

in remote communities or in Perth; it is applicable everywhere in the State. If that happened, the power consumption of this State would be reduced by one-third automatically.

Hon Derrick Tomlinson: Even with that gain, it would not concentrate energy where it is needed - in the north west of this State - which this project is supposed to be addressing.

Hon GIZ WATSON: I appreciate that comment; however, I am trying to put the bigger argument of how we deal sensibly with reducing greenhouse gas emissions and energy consumption in this State. If we wanted to bring that down, it could be done in 12 months by using public money to subsidise a project of that kind, rather than this sort of project for which the estimated cost has already tripled.

I acknowledge that remote communities are faced with challenges in reducing their energy consumption, and in getting the energy to where it needs to be. I understand that the proposed alternative to this tidal power scheme is to use gas. That is another equation in assessing the cost benefits of both energy and greenhouse gas emissions from a gas-fired power station.

No-one has mentioned the cost of reticulating the electricity from the centralised power station at Derby to the remote communities. It has been said that this project will be a boon to the whole of the Kimberley because we will be able to reticulate power into remote Aboriginal communities. My mind boggles at the thought of the cost of putting power lines and service corridors across the entire Kimberley region. Technology is available to put in place solar water pumps, solar heaters and solar generators which will allow those communities to be self-sufficient in power without our having to put in place all the service corridors.

Hon Greg Smith: Have you ever powered a house on solar energy? I have friends who have a solar-powered home. The savings are very minimal. It takes a large expenditure to power fridges, freezers and airconditioners.

Hon GIZ WATSON: It is a high initial investment. I am a builder so I know a little about putting power in houses, whether it is renewable or traditional. One reason that technology is expensive is that government and private enterprise make decisions to go with existing dirty technology, and not subsidise innovations in solar technology. Most of that work is done by small companies scratching to try to get these useful advances out there in the marketplace.

Hon Greg Smith: BHP and Shell are working on solar power as well. They have their own research programs.

Hon GIZ WATSON: They will wait until the oil runs out first, I think. The much bigger question, and one that I would like to be part of this debate about a tidal power station, is where do we, as decision makers, put our emphasis, and where do we put public money so that we advance the best appropriate renewable energy technology?

Hon Greg Smith: That is the thing we need to look at. You may well laugh but that is the biggest problem -

Hon GIZ WATSON: I would actually like to be able to speak; I am getting bored with these interjections. That cost-benefit analysis has not been done and I would like to see those figures presented. Much has been made of the benefit of reducing greenhouse gas emissions. I challenge any member here to tell me clearly what that net benefit is. I understand that it is about 2 per cent of our national objective for the reduction of greenhouse gas emissions. That is a minute amount and when we are looking at putting public money into that, in my opinion, it is not a wise project to back.

This project will still require a back-up power plant to deal with the two days a month when the tides are not suitable to generate electricity. We are still looking at either a gas-fired or diesel-fired power station in the vicinity of Derby, so this project will not completely do away with the need for conventional forms of power generation.

One final issue on the environmental impact of this proposal is that of changing the ecology of pest species in the creek system. An example of this is that one of the unfortunate side effects of the Dawesville Cut and the modifications to that estuary system has been an enormous increase in mosquitoes and associated problems with Ross River virus and other diseases that are transmitted by mosquitoes. If one increases the residency time of the water one creates an environment in which mosquitoes can breed. A tidal creek system that runs in and out does not create that enormous habitat for mosquito breeding, so it might be that that is not a problem. However, if it is a problem spraying will be necessary, because we do not have any other clever methods of dealing with mosquitoes and we have not developed biological controls for mosquito infestation. What impact will spraying have on the proposed aquaculture projects that it is anticipated will be established on the flooded arm of the creek and the Derby prawn aquaculture farm which is proposed for the landward side of the creek system and which, if I remember rightly, already has approval to go ahead? These issues of major environmental modification have not been fully explored. Maybe we will decide it is worth having the renewable energy and we will put up with the mosquitoes, but I can tell members I do not think the residents of Derby, for very good health reasons, would want to regularly spray the area to kill the mosquitoes. I bet the people who hope to get clean, green aquaculture products out of those creek arms will not be very impressed if we have to spray for mosquitoes on a regular basis.

The Greens (WA) believe this proposal, much as it is admirable that people are looking at creating a renewable energy source in this part of the region which needs an alternative to reliance on diesel fuels and its associated emissions and problems, is not the one we need. I encourage members - and I am happy to provide them with the information - to look at tidal proposals that are viable. I refer to proposals which use in-stream tidal turbines that do not impact on the creek system in the way that this proposal will. This technology is currently available in Canada and it is being looked at in the Philippines. By putting this truly innovative technology in Western Australia we could be world leaders. We need to pause for breath and look at what we are getting into. Let us not turn this issue into a big political football when both the major parties try to outdo each other by saying this is the best thing since sliced bread. It is a good start, but it is not the right sort of technology. It is old technology that was developed in the 1970s and we are now almost 30 years on. Advances in technology for producing energy from tidal flows have moved way ahead in that time. As much as this proponent has done

an admirable job in the way he has sold the proposal to the people in the Kimberley - and I reiterate that we agree that the Kimberley has every right to expect special attention and to have a project which will provide a solution and be a world leader in the field of renewable energy - this project is not the one.

Not only could this project be environmentally problematic, but also I am not yet convinced that the savings in greenhouse gas emissions are as claimed. The project could also be an enormous financial white elephant. It concerns me when a proponent indicates the cost and how it will be done, and six months later the cost has tripled. Where does it stop? Will we get a bond from the proponent on the basis that if we find we have problems and it does not work - we cannot stabilise the barrage in 10 metres of sediment that is moving at a metre a year - he will restore the creek to its original condition? If not, we will end up with an environmental problem for which the taxpayer will have to pay. I appeal sincerely to members to look at this again and to listen to some of the other expert opinion that has been put forward as to why this proposal to dam Doctor's Creek is not actually a tidal power project but a hydro project. We can have a win, win solution if we look at other technologies used by other companies - I am happy to provide members with the information - which will provide renewable energy and will not have the negative environmental and health impacts which I believe this project might well have.

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [10.48 am]: I was intrigued by the comment of the spokesperson for the Greens (WA) that we should not make a political football out of this issue, because since its establishment that party has been pumping up political footballs, kicking them around the place and frightening everybody half to death that the end of the world is almost nigh and -

Hon J.A. Cowdell: It is called economic sabotage.

Hon N.F. MOORE: I think the member used another expression yesterday which I have unfortunately forgotten.

Hon GREG SMITH: Politics of symbolism.

Hon N.F. MOORE: He referred to it as being politics of symbolism, which is a pretty appropriate remark. It is an interesting debate because people from different persuasions are coming in from different angles.

I want to make it clear that the Government is going through the proper processes to identify the best way to provide cheaper, more reliable energy to the west Kimberley. The Government began the process to try to overcome the problems west Kimberley communities face with the price and reliability of the existing power supplies. The Minister for Energy is working hard to make sure those problems can be overcome. He has gone through the proper processes. The Labor Party tends to ignore those processes, such as when it is in Government. However, the Government must go through the proper processes when it seeks to create private sector involvement in the delivery of energy. Proper rules must be followed and probity auditors involved. The process must be squeaky clean so that nobody can argue at a later stage that it was not right. It is a pity that some of the debate about the project has ignored that proper process. When I listened to the Leader of the Opposition move the motion, I got the impression that he wants the Government to ignore those processes and make a decision. He may have worked that way while in government, but it does not work that way anymore. The Minister for Energy has followed the proper processes to try to make a decision on the matter.

The amended motion moved by the Leader of the Opposition contains several parts and I will look at each of those separately. First, he welcomes the positive adjudication of the Environmental Protection Authority's review assessment of the Derby tidal power project. The Minister for the Environment has been involved in that. I do not have a problem with that part of the motion.

The second part of paragraph (1) of the amended motion calls for the positive adjudication of -

> the State Government's announced decision that would see further cabinet consideration of the tidal energy's "best offer" and comparison with the final project from Energy Equity Woodside.

Again, I do not have a problem with that. Following the Government's cabinet meeting in Derby, it announced that a comparison of the winning proposal and the tidal power proposal would be carried out once the final proponent had been determined and negotiations completed. We can then finally determine whether the issues that have been raised are factual. It is interesting that people supporting the project are claiming great environmental benefits from it and yet Hon Giz Watson has just told the House that the project amounts to environmental vandalism and should not go ahead. There are different points of view even within the environment movement. There are a lot of unanswered questions, especially if the economic costs are included. I have heard a number of views about how much the project will cost. I know that at the end of the day the tidal power project will cost more than the alternatives. It then becomes a question of who will provide the money for that. It is important that the Government have some factual information about the different proponents and proposals so that it can make a decision that is not based upon the rhetoric that seems to surround these matters.

In paragraph (2) of the motion the Leader of the Opposition calls on me, as the Leader of the House, to table documents relating to the tenders. When Governments go through a process of calling for and evaluating tenders, it is totally inappropriate for those tender documents to be made public. It is not called "commercial confidentiality" for nothing. One simply cannot expect people tendering for particular projects to allow their tender documents to be made public before the final decisions are made. I give an absolute assurance that there is no government enthusiasm for the proposal to table documents at this point in time.

Hon Norm Kelly: What about when the process has been completed?

Hon N.F. MOORE: I do not know. I do not think that is appropriate either. When people and companies submit tenders

for a proposal, they provide commercially sensitive information. They work out their costs and processes and submit that in a tender. If those costs and processes were made public, it could remove any competitive advantage they might have in future projects. Governments and Parliaments must be careful, because if the information companies put forward in the tendering process automatically becomes public, no-one will tender for Government business. Companies will have no way of preserving commercial confidentiality. Parliament must be sensitive to that. The Government, as far as is humanly possible, should ensure that information is made available to the Parliament, but sometimes commercial tendering arrangements ought to be kept quiet.

The third part of the motion urges the Government to immediately work in collaboration with the proponents of the Derby tidal power project and the Derby-West Kimberley Shire to jointly approach the Federal Government to seek federal funding for the proposal. Members are aware that the State Government has done that. It has put proposals to the Federal Government and is seeking some response. Members may be aware - I know this only from reading it in the newspaper this morning - that federal members from Western Australia met with the Prime Minister yesterday to discuss the matter. Usually when I read things in the newspaper I know they are not right and that invariably what is written is the opposite to the truth; however, I will work this time on the basis that the article is correct. It said that the Prime Minister will seek to discuss with the State Government ways and means of studying the benefits of tidal power.

Hon Tom Stephens: The article is based on a press release from the federal Liberal member for Kalgoorlie which says that the State Government and the Federal Government will jointly fund an expert assessment of the Derby tidal power project. I have a copy of the press release.

Hon N.F. MOORE: I do not have a copy of that press release. I only know what I read in the newspaper. I do not know that the State Government has agreed to jointly fund anything. If the federal member announced that and the State Government is not involved, he is wrong, just as the Leader of the Opposition was wrong this morning when he said on the radio that the Liberal Party secretly supports Pangea Resources Australia.

Hon Tom Stephens: Ross Lightfoot supports Pangea. He said so.

Hon N.F. MOORE: Ross Lightfoot could support anything, but what he has to say about that issue is of no relevance. The Leader of the Opposition knows that as well as I do.

Hon Tom Stephens: He said it on the radio this morning.

Hon N.F. MOORE: I do not care what he said. This State Parliament unanimously passed a Bill yesterday to prevent Pangea from coming to Western Australia.

Hon Tom Stephens: Ross Lightfoot said he was going to make the State Government revisit the question.

Hon N.F. MOORE: I remind the Leader of the Opposition - and I wish he would be truthful about this in public - that the Bill will work because the Government amended it. The Labor Party's Bill on Pangea was an absolute disgrace. It would not have achieved anything. Yet, the Leader of the Opposition wanders out to the media this morning and says that the Liberal Party secretly supports Pangea. If Ross Lightfoot supports it, I can guarantee the Leader of the Opposition that 99 per cent of the Liberal Party will be opposed to it.

Hon Tom Stephens: He is a factional boss. Tell the truth!

Hon N.F. MOORE: He is not a factional boss at all. The Liberal Party does not have factions like the Labor Party. The Opposition is quivering on its side of the House because the factional bosses are deciding where their members will go. They tell me the Leader of the Opposition's seat is in jeopardy because the factional bosses want more women candidates. There is no doubt he is not a woman. I wish the Leader of the Opposition would be honest about these issues instead of trotting out the garbage he did this morning. I wish he would start to talk about the truth, which is that this Parliament unanimously passed legislation that will work because of the Government's amendments. What Ross Lightfoot might say is irrelevant to the State Government's position. So too is the view of the federal member for Kalgoorlie, if what has been indicated to me by way of interjection is his view. I am not aware of any decision by the State Government to provide that funding, although if a proposition is put to us we will consider it. Many members would like to see this project get the proper consideration it deserves.

Paragraph (4) of the amended motion talks about calling on the Federal Government to allocate funds from the annual $66m that is to be spent from the $360m renewable energy funds. That is a question for the Federal Government to decide.

Debate adjourned, pursuant to standing orders.

COMMITTEE REPORTS - CONSIDERATION

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair.

Joint Standing Committee on Delegated Legislation - Seventh Australasian and Pacific Conference on Delegated Legislation and Fourth Australasian and Pacific Conference on the Scrutiny of Bills

Resumed from 18 November on the following motion moved by Hon Ray Halligan -

That the report be noted.

Hon RAY HALLIGAN: When the Chamber last considered committee reports, I was talking on the forty-fourth report of

the Joint Standing Committee on Delegated Legislation and its trip to Sydney to meet representatives from other States in Australia and many overseas countries to discuss the scrutiny of Bills. One aspect I was explaining was a report of the Organisation for Economic Cooperation and Development which focused on the use of regulatory impact analyses.

An RIA is a principal tool used to promote regulatory equality. In practical terms the aim of that regulatory reform is to ensure that the costs of each regulation are justified by the benefits and that the regulation chosen yields the highest possible excess of benefits over costs. Presently, Western Australia has no requirement for an RIA, but it has explanatory memorandums. Explanatory memorandums have been used by successive Governments. Although they are of high standard and greatly enhance the committee's understanding of the regulations, they do not achieve the objects of an RIA. The use of these regulatory impact analyses has developed rapidly in OECD countries. Between 1996 and 1998, the number of member countries using RIAs increased from 17 to 23. It is said that no country that has adopted the RIA process has ever subsequently abandoned it.

One of the other issues that came up at that conference revolved around when the scrutiny of Bills and of subordinate legislation should take place. A paper was presented by Mr Peter Nagle MP, who was the chairman of the host committee. The paper dealt with this issue of when was the best time to scrutinise proposed legislation and subordinate legislation in line with OECD best practice. I will quote from the committee's report which states -

> In relation to delegated legislation, the time for scrutiny proposed by Mr Nagle was prior to the regulations coming into force. This is unlike the current system both in NSW and WA where regulations generally come into force on the date of gazettal or very shortly thereafter. By allowing scrutiny prior to the regulations coming into effect, parliament would have an opportunity to scrutinise the regulations prior to them becoming law and preclude adverse impact on a citizen's existing rights and liberties by review prior to commencement.

That report also states -

> Scrutiny prior to a regulation becoming law was considered to have an advantage due to the fact that the existing system could result in injustices. Even if disallowed, a regulation which was in force can still be valid for the period prior to disallowance if it is otherwise within the power of a valid enabling Act. Technically, a prosecution against a citizen in breach of the regulation would succeed because a breach of the regulation whilst it is still in force is not invalidated by a subsequent disallowance which has no retrospective effect.
>
> It was submitted that a system of review which specifies that regulations come into effect after a specified number of days promotes validity of the law-making process by enabling citizens to know the law prior to it coming into effect.

It states that the legal presumption of ignorance of the law excuses no-one and these days of ever-increasing regulation places an obligation on the Legislature to make every effort to inform citizens of the law of the land prior to its coming into effect. That issue should be taken up by not only the committees within the Parliament of Western Australia, but also all States.

The members of the committee learnt a great from attending those conferences. I commend the report to the House.

Question put and passed.

Standing Committee on Constitutional Affairs - Standing Order 134 concerning a Petition regarding Issues of Community Concern in regard to the City of Albany

Hon M.D. NIXON: I move -

> That the report be endorsed.

I have a particular reason for that wording. Members will note that this is a short report. It arose from a petition that was first presented in the last session of Parliament. However, because of prorogation, the committee was unable to give it full consideration and the petition was then resubmitted.

Members will note that the petition requested that an appropriate committee of the Parliament examine a number of issues - the Albany foreshore development, the rainbow coast waste management services, the disposal of a used-tyre dump, administration of the council's town planning scheme, minutes and records of meetings, valuation of lease and ratings of council and private property, engagement of consultants and regional saleyard development. It requested that the Legislative Council place these matters before an appropriate committee of the Parliament in order that the unity of the first elected council of the City of Albany may not be jeopardised by these community concerns remaining unresolved. Obviously it is a fairly comprehensive list of requests and it would have taken the committee a long time to examine it in any case, and that is why it was not given due consideration until the current session. When the petition was re-presented, the committee followed its normal practice of writing to the principal petitioner and the member who tabled it, and asking for a submission. A more detailed submission was made and when the committee had examined it, it was found that, although the original petition had been certified by the Clerk as complying in all substantive respects with the requirements of chapter XI of the standing orders of the Legislative Council, it contained statements that fell within Standing Order No 133(c)(v); that is, it contained statements adverse to, or made allegations of improper, corrupt or illegal conduct against, a person whether by name or office. Because of this, the committee believes that Standing Order No 134 applies; that is, the petition should be confined to a request for relief and be accompanied by a statement of all relevant facts supporting the request, and the statement should have affixed an affidavit in the required form.

Because the committee believes that it comes under Standing Order No 134, the committee reached the conclusion that in

those circumstances it would be improper for it to continue its inquiry into the petition in its current form. It therefore recommends that the Clerk of the Legislative Council advise the principal petitioner of the reasons that the petition cannot be further considered.

The CHAIRMAN: The member may wish to move the motion in the form that the report be adopted and agreed to.

Hon M.D. NIXON: I move -

That the report be adopted and agreed to.

Hon N.F. MOORE: I must say that I am not aware of the contents of this report because I have not read it; however, with respect to procedures on Thursday mornings, I am aware that a decision was made in this place some time ago that the Legislative Council would simply note reports during the one-hour report of committee proceedings. It was agreed that if a member wished to take further action on a report, it would be done by substantive motion. I would prefer that process to continue. However, there may be a very good reason, in respect of this report, to proceed down the path recommended by Hon Murray Nixon. I do not know what that is. I raise that as my concern. Perhaps we can adjourn this debate and sort out that technicality between now and next week. I am talking on the basis of not understanding this report, but it has been recommended that we simply note reports at this time. If the member wants to take action subsequently, it should be done by substantive motion.

The CHAIRMAN: Perhaps we could hear a further explanation before the Leader of the House moves to adjourn debate on this matter.

Hon TOM STEPHENS: Because of the acoustics in the Chamber, Hon Murray Nixon may not have heard the request from the Chair that members might need to hear from him the reasons that we should adopt the report at this time.

Hon M.D. NIXON: It was spelled out very clearly in the report and in my last remarks. The committee had no option but to move in this direction, having found that the petition did not comply with the standing orders of this House. In no way is the committee making allegations that the Clerk of the Legislative Council did not act properly, because on the evidence presented to the Clerk the petition was authorised to come before the committee. However, when the committee examined the evidence presented to it, it became obvious that it contained allegations and, therefore, came under a standing order which prevented the committee continuing its examination. That is the reason for this motion.

Hon N.F. MOORE: In view of that explanation, I am happy to proceed with the motion, as moved. However, I would not like it to be seen as a recognition that that action will be taken in future, unless specific circumstances arise such as those in this case. I am happy to support the recommendation.

Question put and passed.

Joint Standing Committee on Delegated Legislation - Gas Standards (Gasfitting and Consumer Gas Installations) Regulations 1999

Hon SIMON O'BRIEN: I move -

That the report be noted.

I remind members that these regulations were the subject of a disallowance motion which was moved some time ago, but was subsequently removed from the Notice Paper by leave of the House. The Joint Standing Committee on Delegated Legislation conducted an inquiry into these regulations and believes it should report the findings to the House. As the regulations are currently in force and all the avenues and times for disallowance have passed, and as the House has demonstrated that it does not wish to disallow these regulations, no great explanation is required at this time when moving that the report be noted.

I will give members a very quick overview of some of the technical matters, and I will identify the issues of importance raised in the course of the committee's inquiries. They related to apparent ambiguity in definitions in the regulations and the principal Act - the Gas Standards Act 1972. There is potential for section 13D to cause hardship to manufacturers of type B appliances in respect of approvals being granted prior to advertising. The regulations deal very much with type A and type B appliances. Type A appliances are generally on the more domestic scale. They are gas appliances which are typically mass produced and can be approved from safety and other perspectives as a generic group. They are subject to normal standards of tradesmanship in gasfitting when connected at consumers' premises, whether they be commercial or residential. Approvals are granted to these as a generic group, and they are detailed in schedule 1 of the regulations. They include domestic cooking appliances, domestic space heating appliances, domestic refrigerators, domestic outdoor barbecue grillers, water heaters, swimming pool heaters, some types of commercial catering equipment of a generic design, laundry dryers, and several other standard appliances. In contrast, type B appliances are other appliances having a rating expressed in terms of consumption capacity of gas. The interpretations provision of the regulations reads -

> **"Type B appliances"** means an appliance which has a maximum hourly input rate exceeding 10 megajoules but is neither a type A appliance nor a mobile engine;

Ten megajoules an hour was described by a witness to the inquiry as being about the size of "mum's stove top burner". It is a very small input; therefore, a type B appliance can be very small through to a very large industrial appliance, such as that found on a mine site.

Some technical matters were dealt with by witnesses to the committee relating to the inspection and installation requirements,

particularly for type B appliances. The committee identified some conflict with the procedures for the supply of commissioning gas for inspection and testing and supplying gas for a permanent connection. The committee was concerned about the apparent shift of liability from gas appliance inspectors to gasfitters; and the publishing of inspection plans and policies of gas suppliers who had been granted an exemption under section 13 of the Act. The committee communicated with the Office of Energy and the minister's office on these matters, and was satisfied that these issues will be resolved without too much trouble given the degree of cooperation received from those quarters.

A number of recommendations are included in part 7.3 of the report which relate directly to the five areas of concern I have mentioned. The committee received some representations from a number of interested parties in the industry. We heard evidence from representatives from Combustion Air Pty Ltd, Gas Control Pty Ltd, Boral Energy WA Pty Ltd, Wesfarmers Kleenheat Gas and the Trades and Labor Council, and received written submissions from Combustion Air and the Office of Energy. We took evidence from officers of the Office of Energy; namely, Mr Alfred Koenig, the director of energy safety, and Mr Mel Stokes, the principal engineer of gas installations. We received a written submission from Pyrotherm Pty Ltd and WorkSafe WA, and correspondence from the Department of Minerals and Energy. I thank all witnesses and others who assisted with the inquiry. If these matters are touched on again in the future in regulations, or however they come to the House's attention, it is hoped by the committee that the report will form a useful reference document. I support the motion that the report be noted.

Hon MARK NEVILL: I compliment the committee for the work done with this report on this very technical issue. I did some work for Mr Peter Stewart of Combustion Air and asked some questions in Parliament. I have not sought his view on the findings of the report. It is clear that some of his views regarding type B appliances were accepted by the committee. He has achieved some satisfaction. I congratulate Mr Stewart as it is difficult to take on government departments to have changes made to regulations. The material he sent to me indicated he was resolute on this matter, and obviously he had spent quite some money on legal advice and was getting nowhere. However, he has made progress through the committee system of this House. It is a credit to the Joint Standing Committee on Delegated Legislation. I have read the identification of problems and conclusions parts of the report, and it seems that the committee addressed the issues involved. I am sure that if the committee had not done so, Mr Stewart would have been on the telephone to me by now. Well done.

Hon J.A. SCOTT: Hon Mark Nevill is right - this is probably the most technical piece of work with which I, as a member of the committee, have been associated in this place. It took some effort by committee members to get our heads around the issues involved. We had to read considerable information before we knew what was going on, and we at least halfway knew what were talking about at the end of the process. A number of issues were identified by the committee, but not resolved. We hope the minister will deal with those problems because they will remain part of the system until the minister takes action to correct them. I am concerned about safety; namely, the responsibility placed on a gasfitter who may not have the level of expertise or knowledge to tick off on some of these appliances and give them their final approval. Unfortunately, these type B appliances come in a huge variety of sizes, and sometimes they are attached to existing structures. It is difficult for a gasfitter to know what is inside those existing appliances and whether their effect upon another appliance will cause safety problems.

Some witnesses stated that the level of training for gasfitters was not sufficient in this State, full stop. We need a greater level of training, and another minister might look at providing better training for those people. A line is drawn between this type of appliance and those controlled by the Department of Minerals and Energy. A gas appliance in a garage providing gas for vehicles, or gas vehicles themselves, come under different regulations, and the different regulations need to be drawn together.

A matter identified, but not resolved, which affected Mr Stewart, who was mentioned by Hon Mark Nevill, was not being able to advertise a product until it was approved, and not being able to have the product approved because it was only a design, not an appliance; that is, it was a one-off appliance. That restriction was rather unfair on some manufacturers. It did not affect people making bulk type B appliances or ready-made objects. It affected the specialised appliances, of which no examples were available by which to receive approval.

There are still weaknesses in the regulations. I hope in the name of safety in particular that the problems relating to the responsibility of somebody like a gasfitter are noted by the minister and that he deals quickly with that problem and the others identified by the Joint Standing Committee on Delegated Legislation. Apart from anything else, given the amount of work which went into the report, I, and most of the other members of the committee, would feel miffed if nothing were done from this point. The report fairly reflects the opinions of all members of the committee. As I said, I hope the minister gets on and quickly deals with those identified weaknesses.

Question put and passed.

Report

Resolutions reported and the report adopted.

MINISTRY OF SPORT AND RECREATION PORTFOLIO, REVIEW

Statement by Minister for Sport and Recreation

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [11.32 am]: I thank the House for providing leave for me to make this ministerial statement.

Over the past 10 years there has been a quantum increase in public interest in and government resourcing of the Sport and Recreation portfolio. In addition, there has been a considerable increase in the number of agencies which comprise the Sport

and Recreation portfolio in Western Australia. There has also been a quiet revolution when it comes to community expectations in areas including support for elite athletes, the standards of facilities required and the breadth of participation options sought by people. There has been growing recognition that the Sport and Recreation portfolio has become somewhat unwieldy and inefficient. Further, it has been recognised that the key policy implementation agency of government - the Ministry of Sport and Recreation - was lacking the momentum needed to provide the required level of industry leadership. The lack of momentum of the Ministry of Sport and Recreation was especially apparent following the publication by the Western Australian Sport and Recreation Council of the "Strategic Directions for Western Australian Sport and Recreation" document which was released in October 1997. This document established the medium to long-term strategic directions for this emerging industry and it became increasingly apparent to a range of stakeholders that change was required.

Portfolio review: In mid-1998 I initiated a review of the Ministry of Sport and Recreation, and more generally of the Sport and Recreation portfolio. It had been some 10 years since a major review process for the Sport and Recreation portfolio had occurred; apart from that, the portfolio had grown in structural terms with the establishment of a plethora of foundations and academies. By way of terms of reference, the consultants undertaking the review were required to identify and recommend to me options for improved management and structural arrangements to ensure administrative efficiency and management effectiveness within the portfolio; effective delivery of coordinated policy advice to the minister on all matters relating to sport and recreation; increased participation levels in sport and recreation; and effective coordination and allocation of funding.

The review was coordinated by a steering group comprising Mr Mal Wauchope, Director General of the Ministry of the Premier and Cabinet, as chair; Mr John Langoulant, Under Treasurer; and Mr Neil McKerracher, QC, Chairman of the Western Australian Institute of Sport. This group's task was, through the appropriate processes, to appoint an experienced independent consultancy organisation to undertake the review and to ensure the subsequent report responded to the terms of reference. Subsequently, consultants Ernst and Young were appointed in mid-1998.

Review methodology: The consultants undertook a comprehensive review process including the establishment and clarification of the project objectives; gaining an understanding of the strategic intent of the Ministry of Sport and Recreation; undertaking a high-level organisation review of the Ministry of Sport and Recreation, including extensive internal and external stakeholder interviews; identification of improved management and structural arrangements for the ministry; and preparation of the final report and recommendations. In short, the review process was timely and responsive to widespread industry stakeholder concerns; was supervised by a credible and capable steering group; was undertaken by experienced and capable consultants with a required level of independence and objectivity; and was completed within a reasonable time and in a professional and sensitive manner.

Precis of key recommendations: The review identified -

> that an improved alignment of the vision and strategies of all Sport and Recreation portfolio agencies, ideally consistent with the Western Australian Sport and Recreation Council's strategic directions document, was required; that is, there were agencies which each had their own boards, committees, administration, overheads, etc. These agencies included -
>
> > Ministry of Sport and Recreation
> > Western Australian Institute of Sport
> > Western Australian Sports Centre Trust
> > Western Australian Coaching Foundation
> > Womensport West
> > North West Academy of Sport
> > Aboriginal Foundation Sport and Recreation
> > Sport International WA
> > Western Australian Sport and Recreation Council
> > Western Australian Boxing Commission;
>
> that the current Sport and Recreation portfolio, which had evolved over the past 10 to 15 years, was fragmented, inefficient and lacked coordination;
>
> that an alternative structure was required to more effectively use the available resourcing, to improve service quality and to improve accountability;
>
> that an alternative structure for the ministry would better respond to stakeholder service expectations. Further, the ministry should more actively respond to emerging issues and heighten its leadership profile generally in the community; and
>
> that public funding should more firmly reflect community priorities.

Government responses to date: The comprehensive, yet succinct, review provided confirmation that portfolio reform on several fronts was required. A list of responses set out below indicates that the Government is very serious about maximising the social, economic and health benefits occurring from an effective and dynamic Sport and Recreation portfolio. These include -

> a structure and management reform of the Ministry of Sport and Recreation - which is under way - consistent with the intent of the review findings;
>
> consolidation of portfolio agencies, with the functions of the Coaching Foundation, Womensport West, the North West Academy of Sport and the Aboriginal Foundation for Sport and Recreation to be integrated back into the

ministry's operations. This is being actioned to more efficiently use available resources; for example, 54 per cent of funding in one agency was being deployed to meet general administration expenses;

retention of the Western Australian Sport and Recreation Council with closer alignment to the Ministry of Sport and Recreation, including provision of executive support;

new appointments to the Western Australian Sport and Recreation Council - currently being initiated - to reflect the portfolio stakeholder diversity;

initiation of a scenario planning initiative by the council through Curtin University of Technology to further promote community interest and debate on the impact of sport and recreation on the Western Australian lifestyle;

commissioning of a consultancy to examine the establishment of a corporate services bureau for the Ministry of Sport and Recreation, the Western Australian Institute of Sport and the Western Australian Sports Centre Trust;

provision of leadership initiatives to the sport and recreation community; that is, an education program on the impact of the goods and services tax, conduct of the inaugural sport and recreation industry awards, conduct of a Western Australian physical activity survey; and

establishment and subsequent filling of a chief executive officer position within the Ministry of Sport and Recreation.

In summary, this Government is committed to responding to stakeholder aspirations across the sport and recreation industry, while effectively applying the appropriate resources within the portfolio to achieve policy goals set by government. This review has been responsibly and professionally conducted. It provides guidance to government for the medium to long term, and a number of reforms have been implemented since the review was finalised. It is the Government's intention to continually evolve policy and structural and operational responses to maximise the impact that will result from more and more Western Australians leading active lifestyles.

I seek leave to table the Ernst and Young "Strategic Review of the Ministry of Sport and Recreation".

Leave granted. [See paper No 470.]

GAS CORPORATION (BUSINESS DISPOSAL) BILL 1999

Second Reading

Resumed from 18 November.

HON MARK NEVILL (Mining and Pastoral) [11.38 am]: At this stage I am not in a position to support this Bill; I need to get further information before I make a decision on it. However, I want to make some general comments and put on the record my views on the issue and where I see benefit can be derived.

The first question I address on this issue is why AlintaGas should be sold; why should it not stay in government hands? In exploring that issue the most crucial argument revolves around the national competition policy, which was introduced during the early 1990s under the prime ministership of Paul Keating. It promotes competition between Australian States and between the private and government sectors. That policy has had far-reaching impacts on how state instrumentalities operate. AlintaGas is in a situation where its bigger contracts are contestable by private companies. As every year goes by, the size of the contracts which can be contested by private companies drops. There are a number of very active private gas operators in Western Australia. They include The Australian Gas Light Company, Boral Energy and CMS Gas Transmission of Australia, to name three of the bigger companies. Their competition with, or predation on, AlintaGas has already commenced.

CMS Energy has built a lateral pipeline from its Parmelia pipeline, which was the old Western Australian Natural Gas pipeline, into the Canning Vale industrial estate supplying gas to customers. One of its customers, which it has taken off AlintaGas, I understand is Tip Top Bakeries, a very large customer. There have been various reports about the extent to which the price of delivered gas has dropped to Tip Top Bakeries. I have heard that it has dropped dramatically - by up to 50 per cent. I do not know whether that is correct. If it is the case, it rings warning bells for me if AlintaGas' current industrial contracts can be undercut dramatically. Members may not know that AlintaGas makes a small loss on its residential customers in the Perth metropolitan area. They are cross-subsidised by its industrial customers. As AlintaGas loses industrial customers, its capacity to subsidise domestic gas tariffs diminishes. It is inevitable that they will go up, not merely because of normal increases in the price of gas or the transmission of gas but because it will have to get its return on the capital it has invested more and more from residential customers. The scenario presented to government in the next five or six years will be heavy pressure on domestic tariffs to ensure that AlintaGas gets on its investment the rate of return that the Government demands from it. That is not a very pleasant position for a Government to be in when those gas tariffs are increasing.

I have a question on notice about the significant commercial contracts that AlintaGas has lost in recent times. I am not asking for the names of those customers with whom AlintaGas has had contracts, but in order to get some objective quantification of the inroads that are being made, I have sought that information. I have not yet received a response to that question on notice. Even if one takes the number of terajoules for the biggest 20 contracts that AlintaGas has lost, that should give some idea of how much pressure AlintaGas is coming under.

It seems to me from reading the debates that there is very little interest in addressing what I would call the substantive issues.

There is a lot of discussion about the political dogma of privatisation, but here we have a real issue. I was absent from Parliament last Wednesday and Thursday. On reading the debates on those days, those issues do not seem to have been addressed by members. It is a pity that we look at public opinion before the issues in many cases. It is quite clear that privatisation is not popular with the public; it is on the nose. Voting this Bill down politically is quite the easy way to go. The difficult way to go is addressing issues. I will get on to that later.

I have had discussions with people which lead me to believe that AlintaGas has not used its market power to extract the discounts that it could have extracted when it signed up gas contracts in recent times, particularly with Woodside Energy Ltd. That view may be unfounded. One of our problems is that we do not have access to that information. However, my source for that comment is usually fairly reliable. AlintaGas is a massive user of gas and should be able to get as low a price as anyone in this State for the gas it purchases for distribution.

Another potential competitor for that gas would have been Apache Energy from its Harriet field. It has spent about $1b in the past year or so taking over other companies and spending on exploration. It has boosted its reserves from about 190-odd megajoules to about 800 megajoules. It is a great credit to that aggressive company that it has been able to do that. I suspect that Apache may be the other company that has bid for AlintaGas contracts. It would be interesting to know what it offered and what Woodside offered.

Hon Barry House: It would be nice to get another from the south of the State.

Hon MARK NEVILL: Yes. There can develop a very competitive pipeline market in the south west, which will encourage smaller players even further. There are a number of those small companies, including Amity Oil NL and three or four others that I can think of. At the moment they are not in the league of the North West Shelf producers.

In answering the question of why AlintaGas should be sold, I am coming to the view that AlintaGas will lose the battle over the next four or five years. It is losing it already. When a monopoly exists, it is hard to increase the market share unless there is some significant growth. I suspect that it will lose market share and the pressure will be put on domestic tariffs, and we will be facing this problem two or three years down the track.

The next question I asked is how would we get more competition if AlintaGas were sold. A number of issues can be dissected there. The distribution system, or the pipeline network, can be split north and south of the river. That does not do much in terms of competition. It allows a benchmark to be set for north of the river and south of the river piping costs, but that is about all. There would also be a significant increase in the administration costs, because there would be two companies. Even if some competition benefits could be derived from doing that, they would be marginal and doubtful at best. That did not seem to offer any great solution. Those two pipelines would be regulated by the gas regulator, and those two distribution networks would be allowed to receive a certain rate of return on their systems. I do not see much potential for competition in that situation. Our Western Australian gas users - there are about 400 000 - use individually on average only about one-third of the gas that is used by Victorian consumers. To compare the number of Western Australian consumers with that of Victoria is not valid when we look at gas consumption. Victoria consumes three times as much. It is a fairly small customer base which uses a relatively small amount of gas. It probably does not lend itself to great efficiencies by splitting the distribution network north and south of the river. That does not provide any downward pressure on domestic gas prices, which should be of prime consideration to most members of Parliament. When I look at competition in gas trading, I cannot see much opportunity for lowering domestic gas prices. If AGL or Boral compete with AlintaGas in selling into the domestic market, I cannot imagine their reading six meters in Coolbellup, 10 meters in Cottesloe and 10 meters in Scarborough and getting their business incrementally. I do not think that will happen. If they target any areas, it will be the western suburbs where gas use is the highest. They will not be targeting the lower income areas, pensioners and people like that. They will target the biggest users of gas. The only real area into which they could make inroads is to contract to put in gas reticulation networks in new suburbs or subdivisions. That will not make much difference to the vast bulk of metropolitan gas consumers. The real competition can come from Western Power selling gas into the domestic network. It does all the meter reading for the power, and at the same time it could do the meter reading for the gas. It is not a difficult job if the meters are scattered all over the metropolitan area as it builds up a customer base initially. However, this Bill excludes Western Power from competing with AlintaGas for five years. What does that do? That just featherbeds whoever buys AlintaGas. All consumers pay that premium which goes towards the gas company's paying the extra premium that the Government gets for the utility, which then goes into consolidated revenue. From what I can see, the featherbedding is a tax on gas consumers. If we want any competition in the domestic gas market, we must look at either removing or dramatically reducing that five-year free competition period that a buyer of AlintaGas would have from Western Power.

The next point I raise is that if there are only marginal competition benefits by selling AlintaGas in the metropolitan area, there is no good reason to sell it to lower gas prices, because they will not come down all that significantly. With the predation of its industrial customers, they will probably go up. We have not progressed much, so at this point I am not convinced to support the sale. The question then is from where we get competitive benefits. The more I look at it, the more I come to the view that the sale of AlintaGas must somehow be tied into the construction of a second pipeline to get real competitive benefits. A second gas pipeline from the Pilbara would come down to Geraldton, presumably link into the Parmelia pipeline at Dongara and then come down to Perth. That second pipeline would almost certainly carry industrial quality gas. My understanding is that the cost of the gas coming down the Epic Energy pipeline is about $1.80 a terajoule. Industrial gas would sell for about $1.20 a terajoule. That is a 60¢, or one-third, reduction in the price that one would be paying for that gas. There is a big benefit in having a pipeline bringing industrial quality gas. Members would understand that there are gas specification requirements for the gas that comes down through the Dampier to Bunbury pipeline, because of the liquefied petroleum gas stripping plant of Wesfarmers and other considerations. It does not take any gas; it must be suitable to put into that Epic pipeline. Another aspect about a second pipeline is that there is a potential for about a 20 to

25 per cent reduction in the piping costs. I have said in previous debates that, when the Dampier to Bunbury pipeline was sold and a maximum price was set of $1 per terajoule for Perth by next year, that was not cheap gas.

There should have been a number of bids to deliver gas to Perth at, say, 75¢, 80¢, 85¢ and possibly 90¢ - although I do not think we would need a bid at 90¢, but certainly between 75¢ and 85¢. That was not done. What we got was a fistful of dollars and expensive gas. The premium that people will pay for that gas in future years has gone straight to the Government as an increased sale price. That premium will cost us a lot of jobs and industry.

The Kingstream Steel Ltd project has a number of quotes of gas to Geraldton at around 50¢ a terajoule. If we extrapolate that to Perth we would have gas delivered to Perth at 70¢ a terajoule. That is about 30¢ under what Epic Energy is required to deliver it for without any competition. An industrial pipeline to Geraldton has the capacity to save 60¢ a terajoule on gas and 20¢ to 25¢ on transmission costs. That is a reduction of about 30 per cent in delivered gas prices, when one considers the cost of piping and the cost of the gas. We can get some benefit out of the sale of AlintaGas if we can find some way to tie that in.

Another way we can get competition is to accelerate the widening of the gas land corridor from the Pilbara to the south west. That has been widened under the Dampier to Bunbury gas pipeline legislation from 30 metres to 100 metres. Initially, we have to concentrate only on the first part of the pipeline from the Pilbara to Geraldton. The last part can be done in the next year or two. We do not need to resume a lot of freehold land down to the Dongara-Geraldton area. The resumption delays will occur south of there. Once the clearances are done, that program can be accelerated, so that it will be possible for someone to build a second pipeline. We need the corridor so that we have the room to put in the pipeline. That is another area in which we can get competition. We can accelerate the widening of that easement from Pilbara to Geraldton, at least, and then the rest can be done after that is completed. Instead of granting a pipeline licence in 12 months, when that process is completed, it might be able to be granted in eight months; that is, if the Government focused and accelerated that clearance down to Geraldton.

The next tricky question is how we provide an incentive for the construction of that second pipeline. The first thing that is needed is a contract to underwrite that pipeline. No-one would build a pipeline unless he has someone to sell gas to. A number of people come to mind who would be interested in building that pipeline. Epic Energy would not be interested, because it has a pipeline which it is looping, which effectively gives it a second pipeline. Boral and AGL may be interested. CMS Gas Transmission of Australia has been in the press with Texaco Oil Development Company and expressed some interest in building a pipeline to Geraldton. However, I see a problem if a pipeline were built by CMS or AGL. It will not be in their interests to put a gas pipeline from Geraldton across to the north eastern goldfields because both of those companies own 40 per cent of the goldfields gas pipeline. If both of those companies bought into that pipeline they would not look at getting into the potential demand in the north eastern goldfields via a pipeline across from Geraldton. They would seek to service that requirement from the goldfields gas pipeline. We know that they probably have the capacity to service the short-term requirements, but at what price? We need gas into that area that is as cheap as possible. If we can get industrial gas into that area, it will certainly be cheaper than that which the goldfields gas pipeline is offering, even under its new customer tariffs. If we do not get that important infrastructure and the gas security that we need in the goldfields to get extra competition there, that will create a problem. We need to be able to connect all these pipelines up. If we have a major problem we have only one big gas plant and that is at the North West Shelf, which could do a lot of damage. At the end of the day all these pipelines should have some interconnection if only for gas security purposes.

The cost of a pipeline from Geraldton to, say, Leonora would be in the order of $150m. That is not a lot of money. CMS and AGL would not be interested in building that pipeline because it would be in direct competition with their own pipeline. If that pipeline were built it would be a big incentive for someone else to come in and build the Pilbara to Geraldton pipeline. That is because they could service the north eastern goldfields, link it into the Parmelia pipeline, sell industrial gas into Perth which would undercut any of the current prices and service the future demand in the metropolitan area, whether that is provided publicly or privately. Many companies would switch to cheaper industrial gas if it were available. I have always been a strong supporter of the Kingstream Steel Ltd project at Geraldton. It is a strong project. Its costs are in the lower quartile. No new technology is involved and Geraldton is a magnificent place for a steel mill. I have no doubt that it will go ahead when they can secure the finance. That is no easy task.

One of the issues I will explore with the Government is whether the Government, a private operator or a joint government-private operator could build that pipeline from Geraldton to the goldfields. That would really create part of the load to justify that industrial gas pipeline from the Pilbara. I am sure they would win a lot of customers in Perth with cheaper industrial quality gas, and, as I said, it is possible to achieve up to a 30 per cent reduction in delivered gas prices. One of the problems with a new gas pipeline is that it is a bit like the chicken and the egg. One must have some gas contracts and be confident that others are coming through. One must have a minimum amount of gas to underwrite the construction of the pipeline and to be able to build on that to make it profitable. I have looked at a lot of other ways to encourage a second pipeline. If CMS or AGL built that pipeline, it would be looking at servicing gas needs in Geraldton and in Perth. It would not be looking at servicing the eastern goldfields because it would be in direct competition with its own pipeline. If it did build a pipeline, it would be looking at providing industrial gas to Geraldton and the south west. CMS owns the Parmelia pipeline, which has a capacity of 120 terajoules a day. I think it is currently running between 30 and 40 terajoules a day. If the throughput on that pipeline could be increased, it might be one of three or four contracts it might need to justify building a pipeline from the Pilbara. The only real prospect before that pipeline is built of increasing the throughput in the Parmelia pipeline is getting the transmission contracts for AlintaGas as they expire. That would be an incentive for the company to bid for AlintaGas, but I am not sure for how long AlintaGas' contracts are tied up in transmission contracts and how many will become available over the next two to three years.

The whole strategy is to get lower power costs, more industry and more jobs. If we can do that we will have done everyone a favour. The only way to get that is through competition. Hon Colin Barnett has written to me about the expressions of interest for a second pipeline. They have been out for a year or so and most people can guess who some of the interested parties are. Very few of those would be keen to see a pipeline from Geraldton across to Leonora. Epic Energy would be keen to build another pipeline if it were shipping the gas, but would not be keen if the gas were coming from another pipeline to Geraldton. There is a disincentive for Epic Energy to build that pipeline unless it can lock up the contracts to do it. There is little incentive for AGL and CMS to do that. My views are developing and I have been looking for ideas over the past month. At the moment I think the best option is for the State to either build the $150m link or to put some funds into it via a joint venture. I think that in a very short time we will find there will be a company seeking a licence to build the pipeline from the Pilbara, because it would then create a very attractive opportunity. I will have some discussions with people during the break next week to pursue the interest of different people in that prospect.

There is a precedent for the Government to put funds into a pipeline in that area because last year with the State West joint venture, Western Power put $20m into the AGL pipeline from Geraldton to Windimurra - the one that goes via Mt Magnet. Twenty million dollars of taxpayers' funds went into that. I said at the time that it was not clever to construct such a small pipeline because I thought there would be a pipeline across to Leonora within a couple of years and the small pipeline would then become a stranded asset; an asset that would be virtually unsaleable and would not be able to deliver gas to compete with a much bigger pipeline that would need to go right through to Leonora. A larger pipeline should have been built to at least Mt Magnet or Windimurra in anticipation of that pipeline going across. AGL was involved in the mid-west pipeline and the last thing it wants to see is a large diameter pipeline. It bought the goldfields gas pipeline about two weeks after that; it knew it might be a successful bidder within a few weeks so the last thing it wanted was a large diameter pipeline going to Windimurra because someone could come along and extend it to Leonora and compete with the pipeline that it would announce within two weeks it had purchased. That was a missed opportunity. That is where the big benefit to the State is.

I want to refer to the sale proposal. A cornerstone shareholder with 40 per cent ownership and a partial float will not deliver much benefit to the State. I strongly support a trade sale under which a better price will be achieved. I am told that at least $70m to $80m more will be gained, if not a better price. I think the $70m to $80m would be better in consolidated funds. It can build a lot of railway line south of Perth or be used for some other useful purpose. The battlers will not be buying shares in the company, and if AGL or Boral buys AlintaGas then the people who want to invest in it can buy the shares on the stock exchange anyway. The shareholders will not have any control in that company. The cornerstone shareholder will have the effective control premium and it would not surprise me if those shareholders were taken out within five years or so anyway. I strongly support a trade sale which might interest a company that is interested in building the second pipeline from the Pilbara. That would involve industrial quality gas. There would need to be a treatment plant for domestic use, but under the access regime domestic gas could be routed down the Dampier to Bunbury pipeline and the company could still keep its industrial gas coming down the Parmelia pipeline.

I know the minister has been working through the staff issues and there are still a number of issues to be resolved, but some progress has been made there with the CEPU and the ASU and I think those issues need to be agreed. Perhaps not every group will get what it wants, but they all need agreement before any sale. I am very interested in what the revenue from the sale will be used for. If it will be used to retire increasing debt, I am not interested. If Governments cannot manage with the money they generate from ordinary taxes, they do not deserve to be in government. I do not believe the Government should sell assets for recurrent expenditure. It should not be used to retire the increasing debt; it should be used for constructive, particularly capital, works.

I am interested in this Bill only from the point of view of generating more competition. That has been my view on all the gas legislation that has passed through this Parliament. To date, I have not been overly impressed by any of the Government's dealings with these issues, including the Energy Coordination Act which set up the framework; the Goldfields Gas Pipeline Agreement Act; and the Dampier to Bunbury Pipeline Act. If this Bill went through as the Government wants, it would deliver no significant competition at all. It would simply remove a financial risk for the Government, in that it would not lose business in AlintaGas through competition. If the Government can work out a way of using the sale assets to build that second pipeline, the State's economy will be much better off. The Geraldton to north eastern goldfields pipeline would be a very sensible investment in infrastructure for a cost of $150m. That is what Governments must do. The pipeline can be on-sold in a couple of years, and the potential projects in that area are mind-boggling. Normally one would not take too much notice of magnesium and fertiliser projects at Mt Weld or the nickel deposits near Mt Keith. However, one of the biggest countries in the world - Anglo American - is sitting behind the proponents of many of these projects. That changes the whole picture. It is not so much speculation; there is the capital to do it if the numbers add up. It is a very different scene.

The Government should consider investing in that pipeline. I am confident that it will attract a second pipeline from the Pilbara to Geraldton for industrial quality gas, and I am sure that CMS Energy-AGL would jump at the opportunity to link its Dongara pipeline to Geraldton, even if it did not win the licence. Western Power should compete in the domestic market to keep prices down from day one, or at least earlier than five years. There would be big benefits to the State from a trade sale. I reiterate that it is the Government's job to help provide infrastructure. At the turn of the century, the Government spent mind-boggling amounts on infrastructure, perhaps $100b in today's currency. It constructed the railway lines, the water pipeline, the Fremantle harbour and so on. The Government was up to its neck in debt, but it spent the money on worthwhile projects. I do not think any taxpayers in Western Australia are concerned about Governments going into debt if the money is spent on creating wealth and jobs. I will reserve my decision on the Bill.

HON KIM CHANCE (Agricultural) [12.24 pm]: I appreciate the comments made by Hon Mark Nevill. I perhaps do not agree with every point he made, but he has entered this issue with a clarity that has been helpful to those of us watching the

debate from the sidelines. There is no mandate for the sale of AlintaGas, and Hon Mark Nevill and various other opposition speakers have made that point. If the Government determines that it wants to sell AlintaGas, it must go to the people at election time.

Hon Derrick Tomlinson: Rubbish.

Hon KIM CHANCE: I note that a government backbencher is interjecting and saying my statement is rubbish. When a Government is asked the direct question of whether it intends to sell or privatise AlintaGas, and the Government's answer is a straight, simple and direct no, people are entitled to take the Government at its word. The Government then turned around in the same session of Parliament and said it would sell AlintaGas. It said that the no was a non-core statement - that is the strongest expression I can use in this place - and members are expected to accept that. Certainly, the Labor Opposition does not accept that.

Hon Ljiljanna Ravlich indicated that Labor opposes the privatisation of core services and key strategic state assets. I do not need to build on the words Hon Ljiljanna Ravlich put so clearly and forcefully. She perhaps may have added that the Labor Party is not alone in this matter; the public do not support the privatisation and liquidation of strategic state assets. If that is a matter of dispute, it can be determined at the next election. We shall be happy to meet the Government in that field. If the Government wants to go to the people of Western Australia and say it will make privatisation of the State's strategic core assets an issue in the 2000-01 election, it should roll it on. The Government would lose by the biggest margin experienced by any conservative Government.

Hon Mark Nevill: Will you guarantee you will never vote for privatisation of AlintaGas and Westrail?

Hon KIM CHANCE: Yes, I will - unconditionally. Privatisation is a failed strategy and that is why I can give Hon Mark Nevill that guarantee. It is a failed strategy, and not only in this State which has had limited capacity to observe how it works. This State's entry into the privatisation, outsourcing and contracting out field has been relatively conservative so far. Only now are we facing the big crunch issues of privatisation. What we have done so far has been quite modest by British standards, for example. We are now looking at the core services, and we know that it involves bodies such as AlintaGas, Western Power and the Water Corporation. Down they go like dominoes. This is the Government's agenda and I am interested that no-one opposite has said the Government will not do that, because they have already said that about AlintaGas.

Hon Mark Nevill's contribution was somewhat unique in that he concentrated on the micro-economic issues, and his criticism of us so far is quite fair. The micro-economic issues involved in this have probably not been debated as well and thoroughly as they might have been. It has been Labor's strategy to argue the macro-economic issues and the individual effects this proposed sale might have on the economy and the AlintaGas work force. It is legitimate to argue the macro-economic effect. What effect does it have if assets are sold in order to reduce debt? In net terms, it has no effect at all. It is a simple debt-equity swap. It makes no difference. One losses equity here and reduces debt there. Dollar for dollar, it is the same thing.

Hon M.J. Criddle: What happens when you sell the farm?

Hon KIM CHANCE: I was about to get to that as it is a fair question. It has an impact in business terms. In business terms, we call that processes cashing up or, more formally, liquidating debts. It is a management technique which has a place in business, particularly when a firm is addressing its debt to equity ratio or planning new investment. Mining companies especially go through a cashing up process before launching into a new venture. However, the Government fails to draw a distinction between appropriate business practice and public administration practice. It is more common in public administration to make a decision based on the stand-alone merit of the decision itself. That is the point upon which Hon Mark Nevill closed his contribution.

When we developed this State and built our rail and road systems, our investment in today's dollars in that regional and development infrastructure would be in terms of hundreds of billions of dollars. Evidence given to the national competition policy review of the value of Westrail's freight division put the cash cost of Westrail's asset at somewhere around $5b. That is more than the current state debt. That is tied up in the assets of only one of the State's strategic assets. We are contemplating selling that asset for about $800m. It is a matter of public record that Westrail declared at the inquiry that the value it has invested in Westrail's freight infrastructure is $5b.

Hon M.J. Criddle: We are leasing it.

Hon KIM CHANCE: I understand that point. I use that example to illustrate the value of the asset, but that debate belongs in another place.

We have been presented with the proposition to sell AlintaGas as a means of funding the proposed new southern urban rail extension. That is a meritorious project, but surely it should depend on its own merits, not on the merits of selling a gas utility. It is an entirely unrelated issue. How can one relate urban passenger railway development to a gas utility? I follow Hon Mark Nevill's argument: If one is to sell it, one needs to link the sale to the future development of the gas industry in Western Australia. I can following the logic of that argument, but I cannot relate the sale to an urban railway passenger system. That is nonsense. It might make sense in a business. Mining companies are now Internet providers and do all kinds of things to increase diversity in their operations. However, we are not a business. This is public administration in which investment decisions must stand alone. These factors do not relate.

This proposal will be a debt-equity swap aimed at debt reduction for its own sake. It will not be for the benefit of the people of Western Australia, but to provide a slush fund to help save the Court Government from defeat at the next election. Let us be honest about what this proposal is about! My colleagues have addressed this proposed legislation from the point of

view of the economy and the workers in the industry, which are both vital and fundamental aspects to be affected by the Government's intention to flog off yet another of the State's high performing assets.

I acknowledge at this stage the interest the AlintaGas work force has shown in this proposition as indicated by their attendance in the public gallery over a number of days when it was expected that this debate might start again. We appreciate that interest.

Hon Barry House: Was that in their own time?

Hon KIM CHANCE: I am sure it was.

Hon Max Evans: The union told them to come up here.

Hon KIM CHANCE: The minister knows that, does he? The Minister for Finance could not understand that workers in the industry are so concerned about the direction of this State's public administration and the future of their employer that they might want to see what the Government is doing to it; they might come of their own volition to see what the Government is doing to their asset as members of the public.

The PRESIDENT: Order! We do not need a running commentary between Hon Ljiljanna Ravlich and whoever. We cannot hear what is being said up here. All we hear is a garbled and mumbled grouping of words. If the member wants to speak to someone, she should go outside the Chamber. She is interrupting a speaker from her side of the House.

Hon KIM CHANCE: The benefits of selling off assets from the Government's point of view are largely illusionary. For some reason, when the Government presents the benefits to us, it concentrates on the short term; that is, only the one side of the ledger with the income derived from the sale of the assets. We never hear of the other side of the ledger or any analysis of, or accounting for, the commensurate loss of the income stream. We hear of the short-term gains, but are never told about long-term losses. Government enterprises generally make a substantial, if not huge, return to the taxpayers of WA. The 1999-2000 budget papers show an expected annual income from government enterprises of $672m.

Hon Max Evans: Annual income?

Hon KIM CHANCE: Yes, from government enterprises.

Hon Max Evans: But not this one only.

Hon KIM CHANCE: What do we do for that income when we have flogged them all off? Where do we go then? Among those government enterprises are some substantial performers. AlintaGas, even in its reduced form, is one of the high performers, yet we are contemplating selling it off. AlintaGas ranks third in contributors to the income stream of $672m, and is headed only by state taxes and charges and federal grants. However, we will enter into a process of compromising that income stream. Where will we go when we have flogged them all off? Even after the sale of its most significant asset, the Dampier-Bunbury natural gas pipeline, AlintaGas still makes a substantial contribution to the State.

Hon Barry House: Is it core business of government?

Hon KIM CHANCE: Yes.

Hon N.F. Moore: Will it continue to be?

Hon KIM CHANCE: I will get to that point, Leader of the House.

AlintaGas recorded a $30m profit last year after paying $35m to the State in dividends and taxation under the taxation equivalent regime. It will provide $131m over the next four years in tax equivalent regime payments and dividends, yet we are supposed to sign off on this deal as it will put $1b into the Government's pocket and leave nothing for the future.

Although we have considered the effects of this sale on AlintaGas employees and the economy, the privatisation process has another victim which is not talked about; namely, rural and regional Western Australia. The Liberal and National Party privatisation agenda has gutted non-metropolitan Western Australia. I live in a town where whole streets which once housed Westrail employees have been bulldozed. I can name them. It is not the odd house here or there as the streets are empty.

Hon N.F. Moore: Do you know when it started?

Hon KIM CHANCE: When this Government took office in 1992-93 those houses were occupied. They have now been bulldozed and the Leader of the House knows it. The Leader of the House knows that it is a nonsense to talk about the rationalisation the Labor Party did in government and the kind of rationalisation this Government has done. At the same time as the Government has been conducting this process and crowing about what a wonderful manager it is, it has doubled Westrail's debt. It has driven Westrail down to such a point that it is telling us that we have no choice but to flog Westrail off as well. The Government has doubled Westrail's debt - it has gone from $320m to $640m in the freight division. Westrail has lasted for 100 years and in 100 years of management Westrail accumulated $320m in debt. In six years of the Government's management that debt doubled. This is better jobs, better management? What a nonsense! All the Court Government has been able to achieve for country people has been fewer services and increasing costs for those services.

Hon M.J. Criddle: That is absolute rubbish.

Hon KIM CHANCE: It is not rubbish. Hon Murray Criddle should talk to some of his own National Party colleagues and then some of his National Party members who will tell him exactly the same thing.

Hon M.J. Criddle: I live there.

Hon KIM CHANCE: I know Hon Murray Criddle lives in the country; so do I, but maybe my eyes are less shrouded. The services country people have are more expensive than those in the city and, worst of all, the jobs which used to be available in the country are now centralised in the Perth/Fremantle metropolitan area. This process has crippled the coalition's reputation as an economic manager and has made a nonsense of its promises to represent the interests of country people.

Despite the extent of the government asset sales so far, the Government has a deficit of $638m at a time when the State's economy is still at the upper end of the economic cycle. We have had great years during the time of this Government - entirely coincidentally - but we have been in the rising cycle. The cycle is now turning, but before we get to the mean level, we are entering the bad years showing a $638m deficit. Where do we go from here? This is scary stuff.

Hon M.J. Criddle: What makes you say we are going into the bad years?

Hon KIM CHANCE: There is an economic cycle.

Several members interjected.

The PRESIDENT: Order! The interjections are distracting Hon Kim Chance from speaking about the Bill before the House. It is relevant to talk about the economy generally because the Bill deals with the disposal of an asset and that is relevant to where the economy may or may not be going. However, Hon Kim Chance should continue to speak on the Bill.

Hon KIM CHANCE: What happens when we enter the downward trend of the economic cycle? What do we do? On the basis of what we have heard so far we continue flogging off more assets. We continue flogging them off, flogging them off and flogging them off. The Government talked about a former Labor Government putting things on the Bankcard. I do not know whether that was a fair thing to say and I will not defend a process which happened so long ago, but what is this Government doing? It is selling off the backyard, the garage and the front garden and it has already sold the lawn mower. What is next? The dog, the wife or the roof? What will the Government have left to sell? It might be better if the Government put a couple of dollars on the Bankcard and tried to work it through when the economic cycle goes on the rise again. The truth is that running into an election year the Court Government is desperate for the funds that can be made available to it by selling off the State's equity and for no other reason than to camouflage the failure of its economic policy. The real irony is that the key element of the Government's management which has led to its economic management failure and its current desperation to flog off the family silver is its reliance on the perceived but unrealised benefits of privatisation itself. The Government actually believed McCarrey when he told it that the State could save huge sums of money if it embarked on a course of privatising, downsizing, contracting out and outsourcing. We know now that that did not work. We know now that McCarrey was wrong.

Hon N.F. Moore: We do not know that at all.

Hon KIM CHANCE: If the Leader of the House has not worked that out, he is a slower learner than I thought he was. This Government is just like a junkie who needs a shot of what made him sick in the first place to stop him feeling even worse. The State now needs to sell off more and more of its assets simply to prevent the deficit from getting out of hand.

The Labor Opposition will have no part of the sale of AlintaGas. It will have no part of the sale of one of the State's key strategic assets.

Hon Mark Nevill interjected.

Hon KIM CHANCE: I will address one or two parts of what Hon Mark Nevill said. As I have said already in general terms, I found much to think about and much to agree with in what Hon Mark Nevill said. I was interested in the concern Hon Mark Nevill expressed about the increasing deregulation structure as competitors enter into smaller and smaller market areas over a three-year period, from 250 down to one ultimately. He has spoken to me about that possibility before. However, particularly coming off the Westrail debate, it seems to me that while AlintaGas is facing increasing competition - and I accept that that is the case - it seems to be defeatist to accept that AlintaGas will lose in that competitive race. AlintaGas seems to be in an excellent position to be competitive. It already has the contracts.

Hon M.J. Criddle: Contrary to Westrail.

Hon KIM CHANCE: That could be so although there is a difference in that I have more faith in the ring-fencing arrangements in the AlintaGas deal than I have in the Westrail deal. That puts Westrail in a strong position. However, it seems to show a lack of faith in AlintaGas's business performance to believe it cannot see off or live with that kind of increase in competition. I recognise it is there; I do not dispute the logic of what Hon Mark Nevill said, but I believe there is no reason that AlintaGas cannot be a formidable competitor in this market simply because of its existence.

I also acknowledge what Hon Mark Nevill said about the degree of application AlintaGas has shown in using its market power on the supply price side even though he was relaying a thought which had been put to him. If that is true, clearly there is room for AlintaGas to improve its market position by addressing that point.

The regional development aspect of what Hon Mark Nevill outlined is something I can certainly agree with. The only reservation I would have is that while I think it is quite okay to speculate when speaking in macro-economic terms, as soon as one begins to speculate when speaking in micro-economic terms, one can make expensive mistakes. We would all agree that it would be a good idea to push that pipeline across from Geraldton to Leonora. We would all agree that the ultimate aim should be the establishment of a second pipeline from Burrup to Geraldton.

Hon Mark Nevill interjected.

Hon KIM CHANCE: Or from Onslow. However, the issue which arises is much of that projected demand is predicated upon the development of certain projects. That is where we run into that difficulty. Hon Mark Nevill may have mentioned the chicken and the egg syndrome. How does one make a commitment to do something in terms of providing infrastructure development before one has some assurance that the infrastructure development will be required? I do not mean that as a criticism. I simply want to underline the need for a cautious approach when making commitments of that nature. The Labor Opposition opposes the Bill.

Adjournment of Debate

HON MURIEL PATTERSON (South West) [12.50 pm]: I move -

That the debate be adjourned until the next sitting of the House.

Points of Order

Hon HELEN HODGSON: I want to put on the record that although we will be supporting an adjournment, it is only on procedural matters and it in no way affects the position we have adopted on the principle of the Bill. I can see government backbenchers sharpening their pencils to continue this debate if we do not agree to an adjournment. That is what we will be doing.

The PRESIDENT: Technically it is not a debatable motion. That is why I was a little surprised when the member stood.

Hon TOM STEPHENS: Just on a slightly technical point, we want this Government's legislation dealt with now. We will be opposing the adjournment motion.

The PRESIDENT: Let me make it very clear that this motion is not debatable. I gave Hon Helen Hodgson some latitude because I was a little unsure of the point she was raising. I do not want any more points of order because I will now put the question.

Debate Resumed

Question put and a division taken with the following result -

Ayes (16)

Hon M.J. Criddle	Hon Ray Halligan	Hon N.F. Moore	Hon B.M. Scott
Hon B.K. Donaldson	Hon Helen Hodgson	Hon Mark Nevill	Hon W.N. Stretch
Hon Max Evans	Hon Barry House	Hon M.D. Nixon	Hon Derrick Tomlinson
Hon Peter Foss	Hon Norm Kelly	Hon Simon O'Brien	Hon Muriel Patterson *(Teller)*

Noes (12)

Hon Kim Chance	Hon E.R.J. Dermer	Hon Ljiljanna Ravlich	Hon Tom Stephens
Hon J.A. Cowdell	Hon N.D. Griffiths	Hon J.A. Scott	Hon Giz Watson
Hon Cheryl Davenport	Hon John Halden	Hon Christine Sharp	Hon Bob Thomas *(Teller)*

Pairs

Hon Dexter Davies	Hon Tom Helm
Hon Murray Montgomery	Hon Ken Travers

Question thus passed.

Debate adjourned.

FINANCIAL RELATIONS AGREEMENT (CONSEQUENTIAL PROVISIONS) BILL 1999

STATE ENTITIES (PAYMENTS) BILL 1999

Second Reading

Resumed from 24 November.

HON LJILJANNA RAVLICH (East Metropolitan) [12.56 pm]: I welcome the opportunity to continue my remarks of yesterday. I want to spend a little time discussing the impact of the goods and services tax on small business and saying how disappointed most small businesses in this State would be at the way they have been treated by this Government. The Government promised many things to the small business sector. My dealings with members from the small business community indicate that they are very disappointed with the activities of this Government in a whole range of areas. I think that this is yet another area in which small business will dip out. At the end of the day, small business will have to bear a very heavy burden indeed, particularly in meeting the additional costs associated with compliance with the GST.

Before the essential food exemption, the GST was to be hard on small business. In view of the concessions made by the Australian Democrats at national level, the small business sector can now expect nothing short of a compliance nightmare. The Premier cannot avoid the fact that under a GST there will be one million more tax collectors across Australia. A significant proportion of them will be in Western Australia. They will be resentful about having to do the work of the

Australian Taxation Office staff because for most small businesses it will probably mean in real terms the requirement for at least an additional staff member, which is a major impost on small businesses in meeting those requirements.

Hon N.F. Moore: The next thing you will be saying is that the Government did not have a mandate to bring it in.

Hon LJILJANNA RAVLICH: If it is such a good thing, why is the Government worried about going to the polls? It had no mandate for this.

Several members interjected.

The PRESIDENT: Order! The Leader of the House and Hon Nick Griffiths will not yell at each other across the Table and people who are required to work here.

Hon LJILJANNA RAVLICH: If the GST is so politically palatable and popular, I do not see why this Government should have any hesitation about when it goes to the polls. I do not see what difference the GST would make in the context of an election.

Hon N.F. Moore: We have recently had an election based on it.

Hon LJILJANNA RAVLICH: The Leader of the House is squirming because he knows the impact of the GST. He knows that nobody likes it. He knows that he will not get the revenue for the State. The bottom line is that he knows he is in trouble and that this is merely another trouble that he faces.

The situation will get worse. Not only will small business suffer. The Treasurer a couple of weeks ago finally announced yet another economic impact of this so-called good thing for Western Australia. He admitted in a press release that we can expect the inflation rate to automatically go up by an additional 2.5 per cent on an existing rate of 2 to 2.5 per cent. He is therefore anticipating that there will be an immediate inflation rate of about 5.25 per cent. That figure may be a little conservative. We will be going from about a 2 per cent inflation rate to an inflation rate that may be about 6 per cent or even 7 per cent. This will have quite significant consequences for just about everybody. Obviously there are major concerns about it.

Sitting suspended from 1.00 to 2.00 pm

Hon LJILJANNA RAVLICH: Before the suspension I was expressing my concerns about the goods and services tax and the admission by the federal Treasurer that the GST will be inflationary with the expectation that it will increase the inflation rate to about 5.25 per cent. I think it will go higher. There is a risk that the inflation rate will be as high as 6 per cent or 7 per cent. The press statement put out by the Treasurer said that the GST would have a lasting impact on inflation only if there were a flow-on effect; for example, if higher wages were sought because of the one-off lift in prices. One does not have to be too bright to work out that to go from an inflation rate of 2 per cent to one which is around 6 per cent or 7 per cent, there will be pressures on wages. It is likely that workers will want to recoup through improved wages that which they lose through the introduction of the GST.

We have already seen evidence of the increase in pressure to pass on costs. That has been witnessed most recently with the banks. Only recently, the banks increased interest rates by 0.25 per cent and in some cases the increase was as high as 0.5 per cent. The banks plan price rises to recover the GST costs and that may also be a prevalent action in other areas. When organisations think that they might be able to pass some of those additional costs on, there will be, in some cases, an attempt to do so. I understand that the Government will aim to put in place restrictions to minimise that occurring. Nevertheless, we watched the banks get away with it fairly recently and no doubt they will continue to try to get away with it. Banks are planning to raise fees and charges to recoup an estimated $500m in extra costs forced on them by the introduction of the GST. A press report in *The Age* by Jill Ferguson states -

> The banks will be faced with a choice between absorbing the extra costs or passing them on following the Federal Government's decision to declare banks exempt from the GST.

The one thing you can say about banks is that they are fairly hypocritical and although they want to recoup their $500m loss through an increase in interest rates to be borne by their clients, they certainly do not think that anybody else should be trying to recoup their losses. In a press release once again from *The Age*, Phillip Hudson has written an article about inflation fears sparking interest rate warnings. The Reserve Bank commented on the GST -

> It said that workers did not need to chase higher wages to compensate for the GST because price rises would be temporary and the Government was delivering a $12b tax cut.

That highlights the hypocrisy of the banking sector. The banking sector thinks it is all well and good for it to recoup its losses but it does not think workers or anybody else should have that same privilege.

Finally, one of the areas that is of enormous concern to me is an area that I alluded to earlier in my speech; that is, how does the public sector fare in all of these new intergovernmental agreements and GST arrangements? On the face of it, I thought that the net impact would probably be minuscule, and maybe down the line that may well be the case because, as I understand, most government agencies will be able to get income tax credits and, as a result of that, most of their costs will be recouped.

The Auditor General put out a report yesterday in which he highlighted two key areas which may be problematic for the public sector. However, I reckon there is a third area and I will get to that in a minute. The Auditor General said on page 10 of his report -

> Agencies need to understand which services are exempt and how inputs and outputs are to be handled. For most agencies, this means registering for GST in order to claim input credits, while others will have taxable outputs which will attract GST. If access to regular refunds is not undertaken, agencies may face significant cash flow problems, or may incur penalties and fines if they are found to be overcharging for goods and services.

One issue that will be problematic for the public sector is that they there will be no trained personnel to do much of this work. There are significant resource implications as we have seen; for example, public sector agencies have to prepare themselves to be year 2000 compliant. There were enormous costs and most of the expertise had to be brought from outside and most of that outside expertise costs a substantial amount of money. It cost the public sector $172m. I wonder what the cost of meeting the requirements of this GST will be on public sector agencies, because my knowledge of the public sector indicates that the personnel with the expertise are not currently in the Public Service. I fear that if it is not already happening - I understand it is in some departments - the public sector will have consultants crawling all over the show at an enormous cost to Western Australian taxpayers. My other concern is that it may well be all too little, too late. I do not get the sense that the personnel know exactly how to deal with some of the more subtle complexities of the introduction of the GST and how it will impact on those government agencies.

The State Supply Commission has done some work with government agencies to try to direct information towards them and to try to make them more aware of their obligations. One of the key areas that the State Supply Commission is concerned about is contractual arrangements with the private sector. I have put on record my concerns about the lack of clarity in the Government's contracting out activities and the fact that given the Government contracts out such a substantial amount of the state budget - the Minister for Finance is shaking his head.

Hon Max Evans: I was nodding because you put it on record. I was not nodding because what you are saying is right.

Hon LJILJANNA RAVLICH: I intend to put it on the record, because every time I have asked the Minister for Finance how these matters will be handled, I have not had a satisfactory answer. A lot of concern exists in the community about the long-term contracts which have been set up by the Government. That raises a couple of issues. I do not think that the people who carry out the purchasing requirements within government agencies necessarily have the expertise to enter into contractual arrangements which will provide some flexibility when the GST is introduced. I do not think the preparation has been adequate. The evidence is that they are not very good at purchasing. If they are not good at purchasing, they will be even worse after this requirement is imposed on them. Many long-terms contracts are not reviewable or renewable. Many of the contracts have been locked in, with many more years to run. It is very important, given the magnitude of the contracting out by this Government - $6b worth - that an assessment be made of the potential liability for the State in the event that these contracts are subject to legal challenge. I am not sure whether any work has been done in that area. The introduction of the GST will be an expensive exercise for the taxpayers of this State. It is an additional cost on top of the many other economic and social costs associated with the introduction of this tax.

HON J.A. SCOTT (South Metropolitan) [2.12 pm]: It is well known that the Greens (WA) have never been a great supporter of the goods and services tax, because it is a regressive tax. It will be difficult for Governments to have any control over goods that may not be good for the community, and it will take away the ability of government to help those goods and services which would be beneficial to the community. That is because it is an indiscriminate tax in that sense. However, the Greens (WA) will not oppose this Bill, because we are well aware that the implementation of the GST is well advanced around Australia. Even if we had the numbers to delay the Bill or vote it down, we would probably cause more hardship and expense than would be worthwhile.

The reason that the Greens dislike a goods and services tax is that it unfairly impinges upon particular groups in our communities. For example, the imposition of the GST will mean that a large, single-income family that may not receive a high income and has very little disposable income will spend nearly all of its money on goods and services and therefore will pay a much greater percentage of its total moneys as taxation than people who are better off and might be investing their money and getting further and further ahead. It will increase the division in Australian society which has already seen the wealth levels of the different economic strata moving further and further apart. That is a real shame. That is not a good thing. We would much rather have a system of taxation that gave the Government more control over those factors, and so that it would be able to discriminate, for instance, between recycled paper and paper produced from virgin forests. In that way the Government could encourage one and discourage the other.

Hon Bob Thomas: Where would you get the feedstock in the first place to make the recycled paper?

Hon J.A. SCOTT: We can grow plantations, harvest the timber and recycle that. Plantation paper should be taxed at a different rate than paper from old-growth forests. It is a simple measure that Governments can use to encourage one thing and discourage another - for example, cigarettes, alcohol and so on, although some of those goods are harder to get rid of due to the level of addiction of some people.

At the end of the day a taxation system depends more upon what level of taxation people pay, who pays it, and how the tax is spent. For small business, in particular, the cost of compliance with that taxation is an important factor. I do not think that the GST will make the job of small business any easier. A taxation wish list for small business indicated that the number one complaint was the cost of compliance. That surprised me because I thought the level of taxation would be the main complaint. From recollection, the level of taxation was number four or five on the list. It was certainly not at the top or even second or third.

The compliance cost will be one of the hidden costs for government. I understand that government agencies will be exempt, but will be required to furnish returns as though they were not exempt and then have that money returned when they provide

their paper work. I am worried about the unnecessary accountancy work that will take away from the normal budgets of those agencies. I would like the Government to clarify how that will be handled.

Apart from that, probably one of the major concerns that has been drawn to my attention is the proposition that it is likely that the Financial Relations Agreement (Consequential Provisions) Bill may be unconstitutional and may be challenged in the High Court. I refer to an article from the "Weekly Tax Bulletin", which is an online service of the Australian Taxation Office. Virtually the same article was published in the *Australian Tax Review* of June 1999 by the same authors - David Cominos, a partner in Clayton Utz, Brisbane, and Dr Terry Dwyer, a visiting fellow at the Australian National University. I will bore members by quoting extensively from this article, because it is an important issue for the State. It will be a real disaster to put in place a taxation system that might be struck out as being unconstitutional at some point in the future.

Hon Max Evans: Which Bill are you saying could be challenged - the one we are dealing with today or the GST Bill?

Hon J.A. SCOTT: The Bill that we are dealing with today. Historically, a challenge would hinge on section 55 of the Australian Constitution, which was set in place to protect the Senate from dealing with tax Bills that had been lumped together, thus preventing the Senate from knocking out part of a tax Bill. Members will be aware that the Senate, like this House, has the ability to reject a money Bill but has no ability to amend a money Bill. It would have been faced with a problem if the Bills had been all lumped together. Section 55 ensured that Bills were not lumped together in that way. We have an example in WA where Hon Norm Kelly is dealing with some planning legislation relating to omnibus amendments in the metropolitan region scheme. In this House, it is not possible to knock out only one part of those omnibus amendments; the whole lot must be knocked out. Most of those amendments may be good and it puts unfair pressure on the House when it must make a decision of that type. The article states -

> There are several Constitutional validity questions raised by the A New Tax System (GST) Bills 1998, including the status of the intergovernmental agreement, which may cast doubt over the vendor's ability to produce a clean certificate of title.
>
> This article focuses on only 2 of those questions. First, whether the A New Tax System (Goods and Services Tax Imposition - General) Bill 1998 (the GST Imposition - General Bill) is invalidated by the requirement under s 55 of the Constitution that laws imposing taxation deal with "one subject of taxation only". Second, whether each of the 3 GST imposition bills - the GST Imposition - Customs Bill, the GST Imposition - Excise Bill and the GST Imposition - General Bill are invalid because no taxpayer can ascertain his or her liability separately under each of those Bills.

It goes on to say -

> Turning to the legal issues surrounding the GST's "subject of taxation", the second limb of s 55 provides that:
>
> "Laws imposing taxation, except laws imposing duties of customs or of excise, shall deal with one subject of taxation only; but laws imposing duties of customs shall deal with duties of customs only, and laws imposing duties of excise shall deal with duties of excise only."

It then states -

> . . . customs and excise are typically on many subjects of taxation eg an excise tax may be imposed on beer, spirits, soft drinks and wine under the one Act. The problem is that a "goods and services tax" cannot claim the benefit of the exception because GST is not an excise tax - an excise is a tax on goods only, not services.

It goes through the meaning of supply, which I will not go through now because it is a very long screed. For the benefit of the minister, I will table this, by leave of the House. It continues -

> Prima facie, the definition of supply covers a wide range of subjects of taxation and the Constitutional problem is whether this remarkably extensive list (which goes well beyond goods and services) can be neatly categorised into 3 subjects of taxation on which the 3 GST imposition Bills can operate (or perhaps 2 if one proceeds on an assumption that the "importation" provisions cover a field identical with customs).

It then goes into the historical background, which I have already briefly mentioned, and how the Bills were set up to protect the Senate from these multiple tax Bills. It further states -

> ". . . a composite or general tax bill could not be submitted by the House of Representatives to the Senate; it would be unconstitutional, the maxim being 'one tax one bill', except in the case of bills dealing with customs and excise."
>
> "We have now to consider what will be the consequence if Parliament should, whether by accident or design, pass a law imposing taxation, yet dealing with more than one subject of taxation - a law, say, imposing an income tax and a stamp duty. A proposal that the tax standing first in order in the enactment should be valid, whilst the other, or others, next in order should be null and void was rejected by the Convention. . . . The only conclusion is that an Act embodying a plurality of taxes would be absolutely and completely ultra vires."
>
> Most importantly, although designed to protect the Senate, s 55 applies to laws not merely proposed laws and any taxpayer, not merely Senators, thus has standing to challenge the validity of legislation under s 55 to vindicate the rights of not only the Senate but of the people to enforce adherence to the Constitutional compact.

This, of course, links us to that provision. It goes on to talk about the international precedents, and points out that Australia is peculiar in this regard and that other countries do not have a similar constitutional difficulty. The document gives the

background of how some of these issues have been debated through the courts in Australia, when attempts have been made to introduce taxation Bills to link a whole range of taxes and where some failures have occurred. It states that the arguments put forward in those cases were that the drafters were relying on the real politics approach, and that if the Executive Government said a Bill dealt with one subject of taxation, the High Court would accept that it dealt with one subject of taxation. The article continues -

> However, the GST Imposition - General Bill may not receive such indulgent treatment in the High Court for 4 reasons.

It refers to the indirect and property taxes which are constitutionally recognised, and states -

> The Courts cannot allow any Parliamentary understanding of "subject of taxation" to mix customs and excise duties with other taxes. Parliament simply cannot combine a tax on goods with a tax on services - nor with a tax on property (contemplated under s 114).

The second reason is -

> In the case of the GST Bills, there is no common understanding by Parliament on the subject of taxation of the GST Imposition - General Bill.

It then went on to outline that. It gave an example on the question of sales tax, when Mr Scullin advised the Parliament on 30 July 1930 that -

> In the drafting of this legislation, the Government found that the constitutional problem was a serious one, and obtained the advice of outside counsel. Mr E. M. Mitchell, K.C., advised that, in view of the High Court's interpretation of s 55, and of possible future interpretations, the safest course was to have an assessment act and a rates act for each subject of taxation. Thus it is necessary to introduce 9 separate assessment bills and 9 separate rates bills . . .

There was an attempt to bypass that advice. This ended with the Mutual Pools case, about which it is said -

> However, even as the 1992 streamlined Sales Tax Bills were being drafted, the Mutual Pools case (1991-92) . . was proceeding to the High Court. The case was heard on 9 May 1991 and 12 February 1992, by which stage drafting of the new sales tax scheme was obviously well advanced. The Court declared that it was not possible to circumvent the requirements of s 55 by deeming a tax on real property to be a tax on goods. Land and goods could not be taxed under the one taxing Act. The Parliament recognised the implications of this for the tripartite structure of the Sales Tax Imposition Acts and passed a fourth, the Sales Tax Imposition (In Situ Pools) Act 1992, . . .

It further said -

> The Senate is thus being asked to impose a new broad based indirect tax scheme through a "3 imposition bills method" that Parliament itself has recognised was invalid to impose even a much less extensive single-stage sales tax.
>
> It is therefore remarkably courageous that the failed "3 imposition Acts" scheme is being used as the legislative basis for imposition of a GST.

I have skimmed through the article. However, as a result of section 55 of the Constitution, it is possible that the Bill could be challenged by individuals affected by the tax. The Government needs to look closely at this legal opinion and ensure that the Bill is valid before it is passed by this House. We provided reference to these documents to officers who briefed us, but I am not sure whether they took a close look at that aspect. It would be a disaster if we passed a Bill which was then struck down by the High Court. I ask the Government to look closely at this matter as soon as possible. The people putting forward this legal opinion say other factors are involved and they are worried about factors regarding the constitutionality of the GST legislation.

Hon Max Evans: What date was this?

Hon J.A. SCOTT: It was 14 June 1999.

Hon Max Evans: The response to the Federal Government was around that time. It has not ignored it, has it?

Hon J.A. SCOTT: I am not sure. I had it drawn to my attention. It is important that it be considered as we do not want a repeat of the excise on cigarettes situation.

Hon Max Evans: That lasted the test of time over 30-odd years; however, the High Court decided to make a funny decision.

Hon J.A. SCOTT: The legislation may never be challenged. However, a challenge may well show that this legislation is unconstitutional, which might be a disaster for the State. The Greens (WA) support the passage of the Bill, despite our misgivings.

The PRESIDENT: In respect of the document the member said he was prepared to table, it need not be tabled. I indicate to all members that tabled documents need to be given a number and later be archived, which is at an ongoing cost to Parliament. Also, archiving space is at a premium. If Hon Jim Scott had some copies of the document made, I am sure the Minister for Finance and other members would be interested in seeing it.

HON MAX EVANS (North Metropolitan - Minister for Finance) [2.35 pm]: I thank all parties for their strong support for the legislation. I noted all comments on various aspects of the goods and services tax, which is not really part of this Bill.

Hon Helen Hodgson raised concern about its impact on local government. The State Entities (Payments) Bill does not specifically target local government or any other part of the State. The Bill ensures that there will be no legal obstacles to state entities, including local government, voluntarily complying with the GST. This is reflected in clause 3, which provides each state entity with legal authority to pay a notional GST. The member said two weeks ago that entities could not do so. The general application of clause 3 - that is, to all state entities affected by section 114 of the Constitution - obviates the need to search all the State's legislation and regulations to identify entities which might be unable to voluntarily pay GST.

Clause 4 provides the Treasurer with power to issue directions concerning the payment of notional GST where voluntary compliance is not made. The Government agrees that the provision is not likely to be necessary for local government given the other incentives for local government; that is, local government will enjoy substantial savings by being able to claim GST input tax credits.

Concerns were expressed that the Bill provides the Treasurer with powers which are too wide. For example, it may allow the State to impose GST equivalent payments on local government rates which are GST free under the commonwealth legislation. Paragraph (b) of clause 4 will allow the Treasurer to issue directions of what the state entity is authorised to do under section 3. The relevant part of clause 3 is the authority to "do things it would be necessary and expedient for it to do if it were liable for that GST". One must be careful that one has a fair degree of flexibility. Things might happen eventually which are not possible now, and these should not be ignored in legislation. The powers will not impose on local government a requirement to bring in another GST.

These words provide an explicit link to the commonwealth GST, which is defined in the Bill by reference to commonwealth legislation. Therefore, I cannot see how clause 4 could be used to alter the operation of the commonwealth GST. However, the Government can assure the Democrats that the intention is not to use the legislation other than to ensure uniform application of commonwealth GST legislation to all state entities, including local government. Local government is receiving guidance and assistance on GST implementation: As well as that provided directly by the Australian Taxation Office, WA Treasury has worked with the Western Australian Municipal Association and local government on GST implementation issues, including direct consultation with WAMA over the list of local government fees and charges to be GST free under section 81 of the commonwealth GST legislation. Treasury officers have participated in a number of local government seminars on the impact of the GST, and Treasury officers are participating in the WAMA taxation reference groups. I hope those comments cover Hon Helen Hodgson's questions and put things into perspective.

Hon Ljiljanna Ravlich asked about contracts entered into prior to the passage of GST which span the introduction of the GST on 1 July 2000. This arises with many different forms being subject to GST. As a general rule, GST will apply to the supply of goods or services made on or after 1 July 2000, even if the contract was entered into before that date. However, the commonwealth legislation provides for some transitional relief from the GST in certain circumstances. For example, if a non-renewable contract - that is, where the price cannot be varied or reviewed by either party - was entered into before 2 December 1998, the date the GST legislation was introduced into the Federal Parliament, all supplies under the contract will be GST free if the contract was paid for in full before 2 December 1998. If the contract was not paid for in full before 2 December 1998, supplies under the contract will be GST free until 1 July 2005. Similarly, if two registered businesses or government agencies enter into a non-reviewable contract after 2 December 1998 and before the date of royal assent to the GST legislation, 8 July 1999, supplies made under the contract will be GST free until 1 July 2005. This is fairly complex and notes will be provided to members.

Hon Jim Scott made some interesting comments. I look forward to reading his quotes regarding constitutional problems. Interestingly, the matter has been around since June 1999, yet the media has not picked up further whether people agree with the view outlined. That matter will not hold us up today, but I will have my people look at it and further contact Hon Jim Scott about how the letters are interpreted. Some good comments were made, and it would be silly to ignore them.

The member made comment about the High Court case involving section 90 of the Constitution and fuel, tobacco and alcohol. Some of those had been in place for 20 or 30 years and they worked very nicely to beat the taxes. Rightly or wrongly, it all got unscrambled. In the Dennis O'Toole case, it was rejected the first time they tried to introduce it in Tasmania. Instead, a new business franchise fee was introduced. The business franchise fee was originally based on 12 months' sales and the next 12 months' charge was based on that. A huge profit could be made out of tax. I know clients who did very well out of it. Then those sorts of things were reduced to a one-month timeslot. It has changed greatly over the years, but it was a workable proposition for States which were looking for revenue at the time.

I have noted all the comments and views of the various parties on the goods and services tax. The tax will be introduced and it will bring big economic benefits to the export industry and to many other industries. It will cause headaches to begin with, but at the end of the day we will get rid of many local taxes. That is a very good thing and I commend the two Bills to the House.

Questions put and passed.

Bills read a second time.

FINANCIAL RELATIONS AGREEMENT (CONSEQUENTIAL PROVISIONS) BILL 1999

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair; Hon Max Evans (Minister for Finance) in charge of the Bill.

Clause 1: Short title -

Hon N.D. GRIFFITHS: The Australian Labor Party will vote against clause 33 and will propose the amendment on the Supplementary Notice Paper.

Clause put and passed.

Clauses 2 to 32 put and passed.

Clause 33: Section 4A inserted -

Hon N.D. GRIFFITHS: The Australian Labor Party opposes this clause and will vote against it. It is opposed to a tax on a tax. It is true that stamp duty is currently paid in instances where wholesale sales tax is also paid; however, before the tax was polluted by the deal between the Australian Democrats and the federal Liberal Government, the first intergovernmental agreement proposed the removal of stamp duty in return for the implementation of the goods and services tax. The Australian Labor Party knows the GST will be introduced, but it does not want stamp duty to be imposed on top of it. The Opposition thinks the State Government is engaging in a degree of profiteering. The Labor Party opposes this tax on a tax. I understand from Treasury sources that in the region of $15m is expected to be raised as a result. Can the minister confirm that and advise what amount is anticipated to be raised if he succeeds in getting this clause passed?

Hon MAX EVANS: I confirm the Treasury estimates that the net revenue gain in the medium term will be $15m to $20m a year. That is a 2 per cent increase on the total estimated stamp duty for 1999-2000, which is $830m. Hon Nick Griffiths must realise that stamp duty varies according to the economy of the time. Sometimes the Government is above budget and sometimes it is below budget because of matters out of its control. The Government could end up being 3 per cent above budget because of something that has nothing to do with the new tax or it could be 2 per cent down because of the tax. Hon Nick Griffiths has already mentioned wholesale sales tax, which affects cars. If stamp duty rises in the first year after the introduction of a GST, the Treasurer has indicated he will be open to the possibility of reducing the rate at which the revenue increases as a result of the GST. At this stage it is difficult to predict the amount and timing of any net increase in stamp duty revenue. It is important for the Chamber to know that some stamp duties will fall, particularly that applied to motor vehicles.

Question put and a division taken with the following result -

Ayes (15)

Hon M.J. Criddle	Hon Ray Halligan	Hon N.F. Moore	Hon W.N. Stretch
Hon B.K. Donaldson	Hon Helen Hodgson	Hon M.D. Nixon	Hon Derrick Tomlinson
Hon Max Evans	Hon Barry House	Hon Simon O'Brien	Hon Muriel Patterson *(Teller)*
Hon Peter Foss	Hon Norm Kelly	Hon B.M. Scott	

Noes (12)

Hon Kim Chance	Hon E.R.J. Dermer	Hon Ljiljanna Ravlich	Hon Tom Stephens
Hon J.A. Cowdell	Hon N.D. Griffiths	Hon J.A. Scott	Hon Giz Watson
Hon Cheryl Davenport	Hon Mark Nevill	Hon Christine Sharp	Hon Bob Thomas *(Teller)*

Pairs

Hon Dexter Davies	Hon John Halden
Hon Murray Montgomery	Hon Tom Helm
Hon Greg Smith	Hon Ken Travers

Clause thus passed.

Clauses 34 to 39 put and passed.

New clause

Hon N.D. GRIFFITHS: I move -

Page 19, after line 20 - To insert the following new clause -

34. Section 18 amended

After section 18(2), the following subsection is inserted —

"

(3) If GST (as defined in section 4A) is payable on a supply (as defined in that section) that is evidenced by an instrument in respect of which duty is payable under this Act, the person liable for the payment of the GST to the Commonwealth Commissioner of Taxation is to ensure that the instrument discloses the amount of GST payable on the supply.

".

I will read the proposed new clause so members can understand what it means. It states -

If GST (as defined in section 4A) -

Section 4A is part of the clause which has just been passed by the committee after a vote -

- is payable on a supply (as defined in that section) -

I referred the Committee to the definition of "supply" in clause 33. It is the same meaning as set out in the commonwealth Act. The proposed new clause continues -

- that is evidenced by an instrument in respect of which duty is payable under this Act, -

"This Act" being the Stamp Act, and I referred members to that Act with respect to the instrument -

- the person liable for the payment of the GST to the Commonwealth Commissioner of Taxation -

In some respects the word "Commonwealth" is superfluous. However, we are dealing with a state Act and a definition of "Commissioner of Taxation" is contained in state statute law, and commonwealth legislation also refers to the Commissioner of Taxation. The word "Commonwealth" has been included so anybody who reads this clause can have a clear understanding of what is meant, although it may be strictly and legally superfluous. The new clause continues -

- is to ensure that the instrument discloses the amount of GST payable on the supply.

I am proposing this new clause to ensure, in so far as we as a State Parliament can, that the payment of the goods and services tax is transparent and that those who know the GST is payable are aware of it. One of the arguments put forward in favour of the GST was that people would know it was a tax to be paid, unlike the wholesale sales tax, which was hidden. Those members who support the GST are invited on this occasion to support one of their primary arguments in favour of the GST.

Hon MAX EVANS: I was stunned by this proposed new clause and then the member nearly talked himself out of his own amendment. The amendment has no relevance to the imposition or collection of stamp duty. Rather than ensure that an instrument is charged with stamp duty, a person is liable to pay goods and services tax on a supply to which the instrument relates to the same amount of stamp duty for that instrument. The proposed new clause imposes an obligation in addition to those of the Commonwealth's GST legislation which requires only that a person making a supply should disclose the GST inclusive of price on supply. This new clause would involve a lot of extra notations and comments to make this information available. That is seen to be a good political stunt because it makes everyone well aware of what is happening and the charge for it. However, it does not make any difference to the subject. It would be a shame if the Chamber passed this new clause. In essence the proposed new clause seeks to use an instrument as a billboard to advertise the fact that the GST exists.

Hon N.D. Griffiths: You would never do that with anything, would you?

Hon MAX EVANS: No, I would not. This is not considered an appropriate use of the state taxation legislation. If it were to pass we should put NG in brackets so people would know it was Hon Nick Griffiths who proposed it and who was causing all the problems. If adopted, the new clause would involve additional compliance costs and be a burden on taxpayers for no reasons relevant to their commercial transaction or the assessment and collection of stamp duty. The Government will be opposing this proposed new clause.

Hon HELEN HODGSON: The Australian Democrats will also be opposing the proposed new clause for a simple reason; that is, we have a system set up at the federal level which does not require disclosure of these amounts. To require the disclosure simply on amounts covered by a small percentage of the overall transactions which take place within the State - that is, state supply-type contracts - would create an inconsistency which is not justified. In the interests of consistency across the system as a whole, the Australian Democrats will not be supporting the proposed new clause.

Hon N.D. GRIFFITHS: It is clear from the statements of the primary speakers for the Liberal Party and the Australian Democrats that they are extremely worried about the unpopularity of this regressive tax. They want to hide it just as the wholesale sales tax was hidden. They say one thing and do another. They argue at length about the need for transparency but once again they are shown up for what they are - people who say one thing and do another.

New clause put and a division taken with the following result -

Ayes (12)

Hon Kim Chance	Hon E.R.J. Dermer	Hon Ljiljanna Ravlich	Hon Ken Travers
Hon J.A. Cowdell	Hon N.D. Griffiths	Hon J.A. Scott	Hon Giz Watson
Hon Cheryl Davenport	Hon John Halden	Hon Christine Sharp	Hon Bob Thomas *(Teller)*

Noes (15)

Hon M.J. Criddle	Hon Ray Halligan	Hon N.F. Moore	Hon W.N. Stretch
Hon B.K. Donaldson	Hon Helen Hodgson	Hon M.D. Nixon	Hon Derrick Tomlinson
Hon Max Evans	Hon Barry House	Hon Simon O'Brien	Hon Muriel Patterson *(Teller)*
Hon Peter Foss	Hon Norm Kelly	Hon B.M. Scott	

Pairs

Hon Tom Stephens	Hon Dexter Davies
Hon Mark Nevill	Hon Murray Montgomery
Hon Tom Helm	Hon Greg Smith

New clause thus negatived.

Schedule 1 put and passed.

Title put and passed.

STATE ENTITIES (PAYMENTS) BILL 1999

Committee

Bill passed through Committee without debate.

FINANCIAL RELATIONS AGREEMENT (CONSEQUENTIAL PROVISIONS) BILL 1999

STATE ENTITIES (PAYMENTS) BILL 1999

Report

Bills reported, without amendment, and the reports adopted.

Third Reading

Bills read a third time, on motion by Hon Max Evans (Minister for Finance), and passed.

NEW TAX SYSTEM PRICE EXPLOITATION CODE (TAXING) BILL 1999

NEW TAX SYSTEM PRICE EXPLOITATION CODE (WESTERN AUSTRALIA) BILL 1999

Cognate Debate

On motion by Hon Max Evans (Minister for Finance), resolved -

That Orders of the Day Nos 6 and 7 be taken cognately.

Second Reading

Resumed from 21 October.

HON N.D. GRIFFITHS (East Metropolitan) [3.03 pm]: The Australian Labor Party supports both these Bills. These measures have been in contemplation for a considerable time; in fact, this Government is guilty of delay. I will not repeat what I said in my Address-in-Reply speech.

Hon Max Evans: Refer to the pages in *Hansard*.

Hon N.D. GRIFFITHS: I do not need to refer to the pages in *Hansard*. I note that on the day I delivered that Address-in-Reply speech, the Bill was introduced into the other place. The New Tax System Price Exploitation Code has two interesting elements: First, it is giving up a state function to the Commonwealth - nothing surprises me any more in respect of the great states' rights stance of the Liberal Party of Western Australia; second, we are engaging in a bit of price control, which I find very interesting, having lived in Western Australia for a number of decades. Once again the Liberal Party is saying one thing in the hustings and doing another. It is a very socialistic measure. I note Hon Murray Nixon blushing at the thought.

As the second reading speech correctly points out, the code empowers the Australian Competition and Consumer Commission - the ACCC as opposed to the ACC, which some people might think of from time to time - to monitor and report on prices in the 12 months leading up to, and in the two years following, the introduction of a goods and services tax. That is fascinating, because the GST will come into operation as at 1 July next year. Therefore, we have lost the best part of five months already.

In the second reading speech the observation is made that state legislation is needed to empower the ACCC to compel the provision of the information by businesses which would otherwise be outside the legislative power of the Commonwealth. Here, of course, we are dealing with non-corporations. If it were so necessary, one would think that the Government would have got off its collective backside months ago and introduced this legislation. There is no real reason that it was not introduced; it was done in Victoria. As far as I am concerned, the Government is guilty of a gross delay. I do not propose to delay the Bill any longer, other than to point out that the effects of a GST are already being felt in the community. One need only look at insurance policies which are being delivered. I had cause a couple of days ago to look at a motor vehicle insurance policy in the name of a member of my household. The insurer was charging pro rata for the GST, but the amount being charged was the full 10 per cent. So much for input; so much for the slackness of this Government. I will be true to my word: I will not do what this Government is guilty of; I will not delay the passage of this Bill.

HON J.A. SCOTT (South Metropolitan) [3.07 pm]: The Greens (WA) will support this Bill. However, as Hon Nick Griffiths said, a fair slippage has already occurred in a whole range of prices in anticipation of this sort of measure. The intent of the Bill to extend the powers of the ACCC and so on is very good. Unfortunately, the Government will need an awful lot of good luck with this measure. It will be a bit like putting a finger in the dike. If the Government can hold on to this, it can hold on to a handful of hydrogen.

Hon N.D. Griffiths: Sir Charles Court used to lecture the community on price control not working.

Hon J.A. SCOTT: It will be an extremely difficult task. I do not know how many people will be needed to carry it out. All I can say is good luck.

HON HELEN HODGSON (North Metropolitan) [3.09 pm]: The Australian Democrats support the two Bills to do with

the prices surveillance and monitoring function. One of the issues that has caused a great deal of public concern is the question of the potential inflationary impacts of a GST. When removing a wholesale sales tax of varying rates, depending on the types of goods, and replacing it with a flat 10 per cent tax, sometimes problems can be caused with consumers not knowing whether they are dealing with the impact of tax changes or a price hike built into the new prices.

To deal with this public concern, it was considered appropriate that a certain level of prices surveillance be built into the system. As has already been pointed out in the minister's second reading speech, the fact that we must deal with it here is a consequence of the difficulties with the way in which businesses are monitored, with certain functions being constitutionally the responsibility of the Federal Parliament and other types of businesses, specifically unincorporated businesses, being the responsibility of the State Parliament. To have a seamless operation, it is necessary that both Parliaments implement complementary legislation. On the question of who should be doing it, Hon Nick Griffiths has indicated that he believes this is another means of handing over state rights. The question comes down to whether one of the two potential bodies is given the power to act in a certain way with the surveillance function. It is pointless to duplicate the function depending on whether it is an incorporated body covered by the federal laws or an unincorporated body covered by the state laws, because we would then have people who wanted to complain not knowing where to go. It is far easier to ensure that it is handed to one or other of the bodies. This is essentially a federal initiative, and that is the reason it is being handled by the Australian Competition and Consumer Commission. It is an important part of the implementation of the goods and services tax to ensure that there is no problem with people being inadvertently charged higher prices than they should be charged. For that reason, it is a good piece of legislation and we will be supporting it.

HON MAX EVANS (North Metropolitan - Minister for Finance) [3.11 pm]: I thank all the parties for their strong support for this legislation. The word "exploitation" is an interesting word. It does not normally come up. In fact one wonders why the Australian Taxation Office does not use exploitation legislation sometimes.

Hon N.D. Griffiths: I thought the Act was exploitation.

Hon MAX EVANS: My interjection during Hon Nick Griffiths' speech about price control is interesting. I remember the Wheat Products Prices Commission and that twice a year in our office we had to check the price of bread and all the commodities going into it to control its price. This goes back to the 1950s when Sir Charles Court was the chairman. One of the last things to be controlled by price control was the price of bread. We had all the factors to see that the bakeries were under control. That just took me back down memory lane.

I commend the two Bills to the House and thank members for their support.

Questions put and passed.

Bills read a second time.

NEW TAX SYSTEM PRICE EXPLOITATION CODE (TAXING) BILL 1999

Third Reading

Bill read a third time, on motion by Hon Max Evans (Minister for Finance), and passed.

NEW TAX SYSTEM PRICE EXPLOITATION CODE (WESTERN AUSTRALIA) BILL 1999

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair; Hon Max Evans (Minister for Finance) in charge of the Bill.

Clause 1: Short title -

Hon MAX EVANS: I apologise as a note should have been given to members that we are not proceeding with the amendment to this Bill.

Hon N.D. GRIFFITHS: I point out for the record that the reason I wished to go into committee is the amendment on the Notice Paper in the minister's name. Now that he will not proceed with the amendment, I have no reason to query him about it and I do not propose to say anything more in the committee stage. When the House reconvenes, I propose to go along with the proposition that we third read the Bill forthwith.

Clause put and passed.

Clauses 2 to 37 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon Max Evans (Minister for Finance), and passed.

SENTENCE ADMINISTRATION BILL 1998

Assembly's Message

Message from the Assembly notifying that it had agreed to amendments Nos 1 to 21, 23 to 43, 46 and 47, and agreed to amendments Nos 22, 44 and 45 subject to the amendments made by the Assembly, now considered.

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair; Hon Peter Foss (Attorney General) in charge of the Bill.

Amendment No 22 made by the Council was as follows -

Clause 55, page 34, line 19 - To insert after the word "offender" the following words -

; or

(b) when the prisoner is released, he or she will be subject to a parole order made in respect of another term.

(2) If -

(a) an offender is serving a fixed term, or an aggregate of fixed terms, of at least 24 months; and

(b) none of the terms is a parole term,

the CEO must make an RPO in respect of the offender unless -

(c) the CEO considers that such an order is not warranted for the offender;

(d) when the prisoner is released, he or she will be subject to a parole order made in respect of another term.

The further amendment made by the Assembly was as follows -

To delete "Clause 55, page 34, line 19 - To insert after the word "offender" the following words -" and substitute -

"Clause 55, page 34, lines 20 to 26 - To delete the lines and substitute the following lines - "

Amendment No 44 made by the Council included new clauses 64 and 80, which were as follows -

64. HDO, nature of

(1) An HDO is an order that on a release date specified in the order a prisoner is to be released if he or she -

(a) acknowledges in writing that he or she understands the general effect of Divisions 2, 3 and 4 of Part 6 should the order be cancelled;

(b) gives a written undertaking that while the WRO is in force he or she will comply with -

(i) the standard obligations in section 65; and

(ii) any additional requirements imposed by the CEO under section 66.

(2) An HDO ceases to be in force when the period of the HDO ends, or when it is cancelled, whichever happens first.

(3) The period of an HDO is the period -

(a) beginning on the day when the prisoner is released under the HDO; and

(b) ending on the day when the prisoner would have been released under section 93 or 95 of the *Sentencing Act 1995* had he or she not been released under the HDO.

(4) A prisoner who is released under an HDO is nevertheless still subject to the sentence or sentences of imprisonment to which the HDO relates.

80. Parole period under new parole order deemed to be time served

If -

(a) under section 78 or 79 a parole order is made in respect of a prisoner;

(b) in the case of a parole order (supervised), the CEO or the Board does not cancel the parole order under Division 11 of Part 3; and

(c) the prisoner does not commit an offence (in this State or elsewhere) during the parole period for which he or she is sentenced to imprisonment (whether the sentence is imposed during or after the parole period),

then the prisoner is taken to have served the term, or the aggregate of terms, to which the parole order relates.

The further amendments made by the Assembly were as follows -

Proposed new clause 64(1)(b) - To delete "WRO" and substitute "HDO".

Proposed new clause 80(b) - To delete "the CEO or".

Amendment No 45 made by the Council was as follows -

New clause 56, page 35, after line 2 - To insert the following new clause 56 -

56. Preparation for RPO before release

(1) Not later than 12 months before the CEO is required by section 55 to make a determination whether the making of an RPO is warranted for an offender, the CEO must consider whether, to help achieve the purposes mentioned in section 57(1), the offender should before his or her release be started on a programme ("a pre-release programme") consisting of -

(a) the assessment described in paragraph (a) or (b) of section 57(2), and any necessary treatment;

(b) attendance at any programme or course of the kind described in section 57(2)(c); or

(c) more than one of the above.

(2) If the CEO determines that the offender should be started on a pre-release programme before his or her release, the CEO is to take the steps necessary to provide the programme under section 95 of the *Prisons Act 1981* and to ensure completion prior to the date on which the prisoner is eligible to be released on parole under section 93(1) of the *Sentencing Act 1995*.

(3) Sections 57(3) and (4) apply for the purposes of this section in the same way as they apply in the carrying out of an RPO.

The further amendments made by the Assembly were as follows -

Proposed new clause 56(1) - To delete "section 55" and substitute "section 55(2)".

Proposed new clause 56(2) - To delete "completion prior to the date on which the prisoner is eligible to be released on parole under section 93(1) of the *Sentencing Act 1995*." and substitute -

the offender completes it before being released.

Hon PETER FOSS: I move -

That the Council agrees to the Assembly's amendments made to the Council's amendments Nos 22, 44 and 45.

These amendments are almost universally to deal with problems that occurred in transcription. They are picking up matters of drafting, particularly amendments to amendments Nos 22 and 44.

The third amendment deals with the fact that clause 66 referred to two parts of a section, one of which had nothing to do with parole but referred to parole. It is also a drafting issue.

Hon HELEN HODGSON: The Australian Democrats will agree to that motion. I will make a few comments, because Legislative Council amendment No 45 addressed one of the amendments that was put forward in my name. Having considered the change we think that it does reflect the intention of the amendment, and corrects a minor technical drafting error, so we accept the Legislative Assembly amendments.

Question put and passed; **the Assembly's amendments agreed to.**

Report

Resolution reported, the report adopted, and a message accordingly returned to the Assembly.

SENTENCING LEGISLATION AMENDMENT AND REPEAL BILL 1999

Assembly's Message

Message from the Assembly notifying that in considering the amendments made by the Council, it had agreed to amendments Nos 1, 3 to 7 and 9 to 17, disagreed to amendment No 2, and agreed to amendment No 8 subject to the amendment made by the Assembly now considered.

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair; Hon Peter Foss (Attorney General) in charge of the Bill.

The amendments Nos 2 and 8 made by the Council were as follows -

No 2.

Clause 3, page 2, lines 8 to 10 - To delete the clause.

No 8.

Clause 20, page 15, lines 21 to 26 - To delete the clause and insert the following clause -

20. WROs

(1) If immediately before commencement a person is subject to a sentence of imprisonment to which the old provisions apply, then on or after commencement -

(a) subject to Part 4 of the repealed Act, a work release order may be made in respect of the person; and

(b) Parts 4, 6, 7 and 8 of the repealed Act continue to operate for those purposes and in respect of any such order, subject to subsection (2).

(2) If on or after commencement -

(a) a work release order is made under the repealed Act in respect of the person; and

(b) after the order is made it is cancelled under section 70 of the repealed Act by reason of the person having been sentenced to imprisonment for an indictable offence (whether or not it was tried on indictment),

the Board must not make another work release order under the repealed Act in respect of the person in relation to the sentence to which the cancelled order related unless satisfied there are exceptional reasons for making another order.

The Assembly's amendment to the Council's amendment No 8 was as follows -

Proposed new clause 20(2)(b) - To delete "an indictable offence (whether or not it was tried on indictment)," and substitute "a crime tried on indictment,"

Hon PETER FOSS: I move -

That the Council does not insist on its amendment No 2, and agrees to the Assembly's amendment made to the Council's amendment No 8.

Amendment No 2 was an accident. When we split the original Bill into two parts it was not intended that we remove reference to the principal Act. However, that is the way it came out and the rest of the Bill does not make an awful lot of sense without reference to the principal Act. It seems to be a sensible disagreement to our amendment No 2.

The Assembly's amendment to Legislative Council amendment No 8 relates to a change that we picked up in one place but we did not pick it up in another place, and this provides for consistency between our amendment No 8 and the rest of the clause.

Question put and passed; the Council's amendment No 2 not insisted on and the Assembly's amendment to the Council's amendment No 8 agreed to.

Report

Resolution reported, the report adopted, and a message accordingly returned to the Assembly.

FINANCIAL ADMINISTRATION AND AUDIT AMENDMENT BILL 1999

Referral to Standing Committee on Estimates and Financial Operations

HON N.D. GRIFFITHS (East Metropolitan) [3.25 pm]: I move -

That the Financial Administration and Audit Amendment Bill 1999 be discharged from the Notice Paper and referred to the Standing Committee on Estimates and Financial Operations for consideration and report.

I move the motion for the following reasons: First, the Parliament has had little time to consider this measure. I have not had a briefing on it yet, and I understand other interested members have not had a briefing either. Secondly, what is being proposed is new to the operations of the public sector in Western Australia and the consequences may be revolutionary. It may have constitutional implications for appropriations of the kind set out in clause 7 without recourse to the Parliament. I say that notwithstanding the comments in the second reading speech.

Insofar as the Parliament is concerned this legislation comes out of the blue. It was first heard of a matter of days ago with the Premier saying he wanted it through by Christmas. A lot of legislation is hanging around this Parliament, and I do not see why a significant proposed change such as this should be rushed through. I suggest that the Bill be sent to the Standing Committee on Estimates and Financial Operations. That is an appropriate committee to deal with amendments to the Financial Administration and Audit Act. By sending the Bill to the committee, the House will be performing a very appropriate review function. How long the committee takes to deal with the Bill is a matter for the committee. We should have faith in our committee system. This is exactly the sort of measure that the committee system is designed to deal with.

HON HELEN HODGSON (North Metropolitan) [3.27 pm]: The Australian Democrats will agree with the motion to refer the Bill to the Standing Committee on Estimates and Financial Operations. I was also taken by surprise when I discovered this Bill was intended to be dealt with prior to our rising for Christmas. Although I have not been briefed I have had the opportunity to do some preliminary research. My preliminary research indicates that a number of significant concerns cannot be clarified simply by way of briefing. It is important in this issue to hear evidence from the people concerned as to such issues as the new financial processes and procedures that will be implemented.

I have identified a number of concerns. I subscribe to the "WA Financial Administration Bookcase" which contains all the Treasurer's Instructions. I found a discussion paper prepared by the fiscal policy division which is 112 pages long. That is the discussion paper that has led to a change in three or four clauses in this two-page Bill. It raises a lot of issues.

Hon N.F. Moore: Speed reading would help.

Hon HELEN HODGSON: I skimmed through it last night, and I can see it relates to many issues. The Bill is not as simple as it looks. For a start, I identified a definitional issue straightaway. The legislation refers to a "relevant commitment" and I can find no definition of that. If that relevant commitment is a cash expenditure I have major concerns. I was told in a brief meeting with Treasury officials that it is non-cash expenditure, but nowhere is that defined. There will be a shift to accrual accounting, which means we shall work with end of financial year transfers to suspense accounts. I went to the Treasurer's Instructions and found that the relevant Treasurer's Instruction No 323, which deals with these transfers, was deleted with effect from 25 May 1999. Therefore, we shall put in place a system that deals with suspense accounts for which there is no existing Treasurer's Instruction. The concept of a shift to accrual accounting in itself is not a problem, but I am concerned to make sure that procedures are in place so that it is fully transparent. That means making sure mechanisms are in place so that people can see what is happening. I do not know what mechanisms Treasury will put in place, and I need to know about those issues before I am willing to agree to such a significant change. Otherwise I would be concerned about the potential for featherbedding; that is, transferring funds into suspense accounts at the end of the year to provide additional funds that can be drawn on in the future. I want to know what procedures Treasury will implement to make sure that is not a potential outcome. That is only the first of the issues.

I do not have many problems with the second proposal to allow for electronic transactions, and I would be happy to deal with that separately if the Government so desired. I know even less about the third proposal, which is for capital user charges. I have again pulled down the discussion paper from Treasury's Internet site, and my reading indicates that fundamental issues need to be explored further. The whole argument is one of efficient use of assets. However, this legislation provides for a charge on net assets, as opposed to a charge on unused assets. If the Government want to make efficient use of assets, there must be a system that will not penalise, for instance, a body such as the Education Department which has a high level of assets tied up in land and property for schools. However, they are useful assets which are necessary. The Education Department should not be penalised by a capital user charge which is intended to deal with the inefficient use of assets.

I am possibly at a disadvantage because I know just enough about the subject to recognise more and more potential complications. Because of those potential implications, I would much rather be able to question the officials responsible for it, and to get official evidence through the committee process. I would then be able to address some of these concerns as they arise. The Australian Democrats will support referral of this Bill to a committee.

HON BOB THOMAS (South West) [3.33 pm]: I welcome this proposal by Hon Nick Griffiths to refer the Bill to the Standing Committee on Estimates and Financial Operations of this House. In 1994-95 that committee undertook a review of the Financial Administration and Audit Act in relation to fiscal responsibility legislation. The committee travelled to Canberra and Wellington, New Zealand, and spoke to various jurisdictions about fiscal responsibility and its relevance to the Western Australian jurisdiction. That was the subject of the committee's thirteenth report, in which it made recommendations which the State Government has taken up.

The Bill before the House is the sort of Bill that should be referred to the estimates committee so that it can continue the work it undertook in 1995.

Hon J.A. Scott: Do you want another trip?

Hon BOB THOMAS: It is probably not a bad idea to consider that! I leave the House with one of my recollections of that trip. One of the committee members kept referring to the fiscal responsibility legislation as physical responsibility legislation.

Hon N.D. Griffiths: A former member?

Hon BOB THOMAS: No, a current member. That left some of the public servants quite bewildered, because they did not know what we were talking about. I do not think there is any need for any travel. The estimates committee can consider this and report back by March when Parliament resumes next year. If our thirteenth report is any indication, it will be done efficiently and competently.

HON MAX EVANS (North Metropolitan - Minister for Finance) [3.35 pm]: First of all, I must acknowledge and apologise to Hon Helen Hodgson for the lack of briefings on this subject. It has put her at a big disadvantage. Only yesterday morning, when I rang to find out the comments on the motion the day before, did I discover that Hon Helen Hodgson had not been briefed. As members can imagine, I blew my top. One of the reasons for this oversight is that this Bill was at the bottom of the Notice Paper and it was then decided to move it up. That is Treasury's excuse, but as far as I am concerned no excuse is good enough. For that reason, I understand why the member wants to be better briefed. Up to two or three minutes ago, it was intended that the House would come back on Tuesday week. Of course, that may change in the next few minutes; I am not certain, and I will ask the Leader of the House. Members will have until Tuesday week in which to be fully briefed on this matter.

Hon Bob Thomas: Is the Leader of the House being flexible?

Hon MAX EVANS: He is very flexible. There is a long time in which the member can be fully briefed on this Bill, and

it is as much time as might be available if it were referred to the estimates committee. The member could be fully briefed during that period, if this matter is not referred to a committee. According to Hon Mark Nevill, there is some problem with the staff of that committee, but perhaps it could be fitted in. I had a long talk with Hon Helen Hodgson last night. I appreciate her comments and I understand where she is coming from because her background on this subject is very strong. She and I discussed many aspects of the Bill last night, one of which was suspense accounts. I have not checked the Treasurer's Instructions, but I know that many were removed.

The presentation from Treasury on the capital user charge is more than 100 pages long. The member must have a good printer to have taken a copy of it. I commend the member for what she is doing. She obtained a copy of the discussion paper yesterday to inform herself on the subject, and I arranged for someone to have a quick discussion with her on that last night. From our conversation I realise that she wants to know a lot more about it, because she has not been fully briefed. There should be time between now and Tuesday week for that to take place.

In the other place the Opposition moved that the Bill be referred to the Public Accounts Committee for consideration and report by 16 March 2000. The Premier responded -

The PRESIDENT: Order! The minister knows he cannot refer to what was said in the other place.

Hon MAX EVANS: I will ignore what was said in the other place. The introduction of accrual appropriations was initially planned for the 1999-2000 budget, so it has already been deferred one year to allow for the resolution of implementation issues. Hon Helen Hodgson may wonder what difference that makes, because she was not briefed last year and has not been briefed this year. Treasury has been involved in large-scale consultation with agencies, particularly over the past three months, on implementation issues. A number of inter-agency working groups have been established, and briefings have been provided to chief executive officers and principal accounting officers of all public sector agencies. I know that my agency has been talking to others and they want to clarify a lot of points. Certain authorities will be exempt and some will not. Implementation of accrual appropriations and a capital user charge have broad support across all public sector agencies. Most other jurisdictions in Australasia have already implemented these initiatives.

The Treasurer indicated that Treasury will arrange briefings on these issues for members and the Standing Committee on Estimates and Financial Operations - that will certainly be required if the Bill is referred to that committee.

Changes to budget paper presentation as a result of these initiatives will be minimal. Comparative data will be presented for each output in the form of an operating statement, statement of financial position and statement of cashflows, and the amount of each capital users charge will be specified in the budget papers. Treasury will also prepare supplementary information to assist all interested parties in switching from cash appropriations to the accrual appropriations regime. As Hon Helen Hodgson indicated, the Bill contains facility for e-commerce in the Financial Administration and Audit Act to allow certification or authentification by electronic means.

A considerable amount of time is available in which members could be fully briefed on this measure, and the Bill could be passed in the week after next when we return. It is very unlikely that the Standing Committee on Estimates and Financial Operations could complete its consideration by the time we next sit if this referral were successful. This could hold up the budget for next year as we want to put in place arrangements for agencies' accounts. I strongly urge the House not to support this motion.

Question put and a division taken with the following result -

Ayes (14)

Hon Kim Chance	Hon N.D. Griffiths	Hon Ljiljanna Ravlich	Hon Ken Travers
Hon J.A. Cowdell	Hon John Halden	Hon J.A. Scott	Hon Giz Watson
Hon Cheryl Davenport	Hon Helen Hodgson	Hon Christine Sharp	Hon Bob Thomas *(Teller)*
Hon E.R.J. Dermer	Hon Norm Kelly		

Noes (13)

Hon M.J. Criddle	Hon Ray Halligan	Hon M.D. Nixon	Hon W.N. Stretch
Hon B.K. Donaldson	Hon Barry House	Hon Simon O'Brien	Hon Derrick Tomlinson
Hon Max Evans	Hon N.F. Moore	Hon B.M. Scott	Hon Muriel Patterson *(Teller)*
Hon Peter Foss			

Pairs

Hon Tom Helm	Hon Dexter Davies
Hon Mark Nevill	Hon Murray Montgomery
Hon Tom Stephens	Hon Greg Smith

Question thus passed.

Sitting suspended from 3.45 to 4.00 pm

[Questions without notice taken.]

PLANNING LEGISLATION AMENDMENT BILL 1998

Assembly's Message

Message from the Assembly notifying that it had disagreed with the amendments made by the Council in the Planning Legislation Amendment Bill 1998, now considered.

Committee

The Deputy Chairman of Committees (Hon Derrick Tomlinson) in the Chair; Hon Peter Foss (Attorney General) in charge of the Bill.

The amendments made by the Council were as follows -

No 1

Clause 2, page 2, line 7 - To delete the words "is, or days as are respectively,".

No 2

Clause 5, page 3, line 15 to page 5, line 17 - To delete the clause.

No 3

Clause 6, page 5, line 18 to page 7, line 20 - To delete the clause.

No 4

Clause 11, page 11, lines 19 to 24 - To delete paragraph (a).

No 5

Clause 12, page 12, lines 10 to 17 - To delete the clause.

The Assembly's reasons for disagreeing to the amendments were as follows -

Amendment No. 1

Clause 2

Clause 2 has been amended to delete words that would have enabled the delay in proclamation of part of the Act. This clause enables the Government to delay the implementation of the appeal provisions and thereby afford the opportunity for the Planning Peer Review Panel to prove its success or otherwise.

Amendment No. 2

Clause 5

Clause 5 provides for a landowner to request a local government to prepare an amendment to rezone that person's land and establishes that where such an application is refused or delayed or where an unreasonable requirement is imposed the applicant may appeal to the Town Planning Appeal Tribunal.

This clause provides for decisions to be reviewed by an impartial party. All other planning decisions made by local government are subject to review.

It is a fact that unreasonable demands have been placed upon landowners in the past but the absence of an appeal right has been of great frustration to landowners and has resulted in acceptance of inconsistent and onerous conditions.

Planning issues should be assessed upon their planning merit. The fact that the appeal is specifically to the Town Planning Appeal Tribunal will provide comfort to local government, as the determination would be based on planning merit.

The appeal affords the opportunity for an amendment to be formulated and advertised, it does not pre-empt its outcome, which, rightly, is the result of a process of public advertising and consideration of submissions by the local government and the Minister for Planning.

Amendment No. 3

Clause 6

Clause 6 empowers the Minister for Planning to enforce decisions of the Town Planning Appeal Tribunal where the local government has continued to defy the determination in respect of the need to prepare an amendment to a town planning scheme. This clause is necessary to give effect to Clause 5.

Amendment No. 4

Clause 11

Clause 11(a) clarifies that the appeal right allowed under Clause 5 is included within the definition of "appeal" under Section 37 of the Act.

Amendment No. 5

Clause 12

Clause 12 is required to reflect the exceptional situation established under Clause 5 whereby an appeal against a local government decision in respect of an amendment is restricted to the Town Planning Appeal Tribunal in contrast to other planning appeals which may be made to the Minister for Planning or the Tribunal. This Clause is required to qualify Section 39 by establishing that appeals against local government decisions on amendments are exclusively to the Town Planning Appeal Tribunal.

Hon PETER FOSS: I move -

That the Council does not insist on its amendments.

Hon J.A. COWDELL: I oppose the motion as moved by the Attorney General. If we defeat this motion we insist on them. I note the arguments presented in this message by the Legislative Assembly; they contain nothing new. The arguments are vague. They refer to the absence of an appeal right and that the absence of an appeal right has been a great frustration to land owners and has resulted in acceptance of inconsistent and onerous conditions. As I pointed out previously when this Bill was before the Chamber, we objected to the proposed appeal right, and we should still insist that there not be a right of appeal to the Town Planning Appeal Tribunal against a decision of local government to not initiate an amendment to its town planning scheme or against any conditions or requirements that local government seeks to impose on such a decision.

Fairly clearly, if we do not insist on our amendment, we allow further centralisation of the planning scheme and we override local option. I do not believe the Government, either when it presented its legislation to this Chamber previously or in its message here, presented any compelling reason for removing the particular discretion from the local level. For that reason the Australian Labor Party will oppose the motion moved by the Attorney General and will therefore insist on the amendments as proposed previously by this Chamber and carried by this Chamber.

Hon B.K. DONALDSON: I support the motion. I would like some clarification on whether that motion will deal with the five amendments en bloc or individually.

The DEPUTY CHAIRMAN (Hon Derrick Tomlinson): At this stage, the motion is that the Legislative Council not insist on the amendments, which means it will be dealt with en bloc unless the Council decides otherwise.

Hon B.K. DONALDSON: I want to talk on amendment No 1 which relates to clause 2, and I hope my interpretation of it is correct. The amendment related to a delay in the proclamation of part of the Act. That was in response to a strong lobby from local government in Western Australia through the Western Australian Municipal Association to set up a planning peer review panel. The minister agreed to that. That would allow time for local government to see whether that planning peer review panel worked. It was a positive step by the minister and the Government to allow that to happen. Planning is a difficult issue. It is one of those issues in a community in which there will be winners and losers. It creates a great deal of anger and frustration. Local government would be the first to admit that at times it is a bit tardy in that process. I forget the names of the people who were appointed to the planning peer review panel. However, at the time I thought it was a reasonable panel to look at local government proposals, to review delays etc and to look at the merits of each case to assist local government to make a decision. It would be irresponsible of this Chamber to say to local government and to the minister that their agreement will be thrown out. That was the reason for the timing of the proclamation in parts of the Act. I did not think there was any disagreement with that process. At least the minister and the Government, at the request of local government, set up a panel to assist local government in that decision-making process. It would be like an independent arbiter. Hon John Cowdell said the Bill would centralise decision making. However, if members opposite roll amendment No 2, that is exactly what will occur. We will take the process out of the hands of local government. At least the Government has given local government an opportunity to sort out those differences in certain planning decisions. I strongly support the motion.

I do not feel as strongly about the other amendments, except to say that the Government and the minister have tried at least to set up a process that is less costly for proponents. It also gives landowners an opportunity to appeal. I can give an example in which the City of Wanneroo finally agreed to call for submissions on the rezoning of a piece of land. After two attempts the council agreed to the notice to rezone. That did not presume that it would agree to the rezoning. Those landowners were frustrated, not because they could not appeal to local government but because the WA Planning Commission and the then minister blocked the opportunity for those landowners in that locality of the City of Wanneroo to have their day in court. The land to which I refer was a buffer alongside a Telstra operation - its communications base in Landsdale. I fought vigorously for those landowners, although it is not part of my electorate. At the end of the day I felt it was wrong. At least under clause 5, I think they could have had their day in court. They did not so much seek the rezoning, but rather an opportunity for Telstra to own up to the fact that it needed a buffer zone. When the City of Wanneroo was operating, Telstra was a de facto planning tribunal. The City of Wanneroo asked Telstra for its opinion on any proposals for land near its base before a decision was made. As a landowner, I can understand the frustration and anger of the people involved. This amendment at least would give people such as that some justice in the system.

Hon J.A. Cowdell: Should we adjourn it and have more time to consider your case?

Hon B.K. DONALDSON: I am putting my case very succinctly.

Hon J.A. Cowdell: I am happy to adjourn it if the member wants us to consider this new case.

Hon B.K. DONALDSON: It is an old case, but it is an example of when the legislation could have helped.

Hon E.R.J. Dermer: You referred to the Landsdale landowners. The Minister for Planning has refused to allow their application to be advertised. Have you raised it with the Minister for Planning?

Hon B.K. DONALDSON: Yes, of course I have, in letters. I have many volumes of them.

Hon E.R.J. Dermer: What was his response to you?

Hon B.K. DONALDSON: I cannot recall; I must go back to my files in my office. I was disappointed and I made him aware of that.

Hon E.R.J. Dermer: You and I both.

Hon B.K. DONALDSON: If we agree to the amendment made in this place, it will deny people some recourse in future . That was the situation faced by the people in Landsdale.

Hon E.R.J. Dermer: They have had no effective opportunity for recourse to date.

The DEPUTY CHAIRMAN (Hon Derrick Tomlinson): Order! Members should recognise that we are in committee and they have unlimited opportunity to speak. Rather than interject, they should take advantage of that if they feel so inclined.

Hon B.K. DONALDSON: If we do not agree to the motion moved by the Attorney General, there will never be an opportunity. I do not know why the Opposition is going to the barrier on amendments Nos 3, 4 and 5. The Opposition may have thought that the amendments it moved in this place would protect local government. In fact, the effect has been completely the opposite. I would be absolutely amazed if the WA Municipal Association had changed its mind on these issues because it fought vigorously to set up the planning peer review panel.

Hon PETER FOSS: I should inform the committee of something said elsewhere. The appeal right will open up the only remaining area where there is no test of reasonableness against local government decisions. It would also remove that part of the process which leaves open the opportunity for corruptive practice and the creation of a culture where decisions are made on a person's ability to pay rather than the planning merits of the case.

I also refer to Wanneroo, because 20 years or more ago I went through exactly the same thing. The then Shire of Wanneroo insisted on extraordinary payments to initiate rezoning schemes notwithstanding that its zoning did not comply with the metropolitan region scheme.

I should point out that an appeal of sorts already exists under section 18 of the Town Planning and Development Act 1928. I suggest that members read a copy of that section of the Act. It has been said that this provides for aggrieved landowners to approach the Minister for Planning. That is not correct because the Act provides that the minister may. That means people can approach him, but the Act does not say that. The minister has a right on his own motion. This can be done where a local authority fails to adopt a scheme relating to its land. If the minister is satisfied that a scheme should be prepared, then he is able to take over the council's full rezoning role. However, the process is not transparent and criticism could be levelled at the minister for political interference. To ensure that any appeal is seen to be impartial and without accusation of political intervention, the right of appeal under the Bill is specifically limited to the Town Planning Appeal Tribunal and not the Minister for Planning.

Assertions that the appeal right will result in ministerial interference are clearly erroneous because the appeal right is to the tribunal and not the minister. The minister does not intend to take any part in the consideration of rezoning appeals, either within current legislation or under the proposed Planning Appeals Bill 1999. If the appeal right is successful, the Minister for Planning will introduce provisions into the proposed Planning Appeals Bill to ensure the minister would not have the power to call in rezonings. Suggestions that the appeal right will remove local government autonomy are false, because the appeal right is for the purpose of advertising. It does not mean that it will necessarily proceed to final approval.

Suggestions that currently there is an extensive consultative process when a proposal is not agreed to by the local government, could not be further from the truth. Councils do not have to account or provide reasons for not initiating an amendment, nor is there any accountability or transparency with its decisions. The current process in fact denies community input, because the council does not allow it to go out for advertising.

By introducing these appeal provisions, members have the opportunity to make their choice. They can accept the Bill to introduce an independent and transparent appeal right to the tribunal, which excludes the minister from the process. Otherwise, the minister will consider rejection as acceptance of the existing procedures under section 18 of the Town Planning and Development Act. The Minister for Planning is saying that there are inequities in the system, and he will use section 18 if that is the will of the House. On the other hand, if it is not the will of the House, there is a better process which is in this Bill. It is that simple. I do not want to prolong the debate. The issues are fairly clear. Members either do not like it and they prefer section 18 and will use it, or they accept that the proposal is better than section 18. The whole thing has been aired many times before and it is appropriate to vote on it and get the matter out of the way, and everyone will know where they stand.

Hon J.A. SCOTT: Members have well and truly gone over the arguments before. Hon Max Evans was right when he said while speaking on the previous Bill that we should not take any notice of what is said in the other place. We should take notice of that advice with regard to this message. The arguments put forward by members on the other side of the Chamber would have been stronger had just a single Bill been involved. Although this message deals with only one Bill, a follow-up Bill dealt with the relevant powers of the minister and the tribunal. That rather changed what was happening in this message. It is difficult to deal with this by itself, even though we must in this debate.

The other matter that needs to be taken into consideration is that it is interesting that members opposite want the appeal rights for the developers to be in place, but they do not want third parties to have those appeal rights. Other members of the community might have a problem with a rezoning. Does one believe that local government is keen to set up its own system? It has been indicated to me that the mechanism is in place for this very important purpose. This is a local government matter and should be dealt with under the Local Government Act, and any tribunal or appeal body should be established under that Act. It should not be put in place by the Minister for Planning. As Hon John Cowdell said, this is another case of centralisation of power reducing regional and community rights; that is, putting power further into the hands of the State Government. The balance is too much in the wrong direction, and I will not support the Attorney General's motion.

Local government should have a greater say. Too many instances of interference at a state level have taken place to the detriment of the local community. Hon John Cowdell is very familiar with the Creery wetlands development, regarding which the local community held a referendum on whether it should proceed. The vote was overwhelmingly won by people supporting the preservation of the natural beauty of the area, rather than seeing yet another set of canals developed in an important area. The council was about to comply with the wishes of the community when, of course, in came the minister. He had powers all along to override local aspirations. If I were to vote for any changes to the planning legislation, I would vote to even up the balance, rather than furthering the imbalance in favour of the State Government.

The DEPUTY CHAIRMAN (Hon Derrick Tomlinson): I interrupt Hon Ed Dermer's telephone conservation to ask whether he is taking an outside call.

Hon E.R.J. Dermer: Yes.

The DEPUTY CHAIRMAN: An instruction of the Chamber relates to the use of the Whip's telephone. I suggest the member acquaint himself with it.

Hon NORM KELLY: The Australian Democrats have not changed our position from that expressed in the original lengthy debate when the Bill was first before this place. We believe that the Legislative Council should insist on the amendments it made last time. The Planning Peer Review Panel, to which Hon Bruce Donaldson referred, has been a good initiative of the Western Australian Municipal Association. It has addressed a need to try to resolve some of the planning conflicts in the best possible way in a voluntary process involving stakeholders in planning matters. WAMA believes that the appeal provisions in the Government's original Bill would have negated all the good work done by people with good intentions in the Planning Peer Review Panel. It is important to support those initiatives.

Also, local government can often be an easy target and be maligned in its work. We should be supporting local governments rather than tearing strips off them. With almost 150 local government bodies in this State, some will have problems from time to time. The Minister for Planning should look at the planning administration area of councils, from which problems usually emanate. Some cases are more a matter for the Minister for Local Government than the Minister for Planning. That is the essence of this matter. Local governments are democratically elected and strengthened by that democracy. We should support them so people have a say in the planning matters before local governments. Often when the State comes in and overrides, it takes away the power of the local community to work through planning matters. Local matters in the metropolitan area are overridden by the metropolitan regional scheme, so the appropriate stratification allows the necessary emphasis on town planning matters.

The Australian Democrats believe we must insist on the amendments we first put into this Bill. As a point of clarification, Mr Deputy Chairman, I was a little confused when the Attorney General moved his motion. I take it that to oppose the motion would insist that our amendments be retained.

The DEPUTY CHAIRMAN (Hon Derrick Tomlinson): That is the correct assumption.

Hon B.K. DONALDSON: I am alarmed that some confusion appears to reside opposite about the amendments. The Bill was amended while in this Chamber, and the other place has disagreed to those amendments. Hon Norm Kelly says he is sticking up for local government, yet I plead the case for local government by not throwing out this legislation. I would be disappointed if that were the case. A lot of negotiation took place when this Bill was being developed. When those clauses were amended, local government did not know where it stood. I have been around for long enough to understand that no local government authority is perfect. A great deal of frustration arises at times.

Hon J.A. Scott: Not like the State Government!

Hon B.K. DONALDSON: All Governments err at times and do not provide services or outcomes quickly enough. I hate to say this, but some local governments would rather throw planning decisions to the minister or a tribunal as they are too hard. The amendments not agreed to by the other place will not stop the world. However, they pick up those areas where a tardiness is evident in local government to at least make a decision, and where they set about to demand a reasonable apportionment of public space, etc.

Hon J.A. Scott: Have you discussed this with the minister?

Hon B.K. DONALDSON: The member amended the amending Bill to stop these changes from taking place. That is what it is about. The message is that the Legislative Assembly disagreed to the amendments. The Attorney General may be able to answer the member's queries. I believe that message No 95 is still current.

Hon Peter Foss: It is still current.

Hon B.K. DONALDSON: I urge members opposite to support the motion of the Attorney General.

At the end of the day, I believe members opposite are doing a greater disservice to local government than they imagine. There must be some checks and balances and local government cannot have it all its own way either. The balance of the amendment Bill is important. On reflection and in readdressing the amendments which were forced on us in this Chamber, the opposition parties may look more favourably at the motion the Attorney General has moved. I urge members to support the motion.

Hon J.A. COWDELL: Following extensive lobbying by the Western Australian Municipal Association and a range of local government bodies, the opposition parties responded to that by amending the Bill in this Chamber that is now sought to be overwhelmed by this message from the Assembly.

I make the simple point that it was my understanding that there was much of merit in the Bill which should be implemented. However, we find that these clauses are without merit. We understood that the Government wished to get on with the other 90 per cent of the Bill and progress that. If that is not the case, we are happy to hold up the whole Bill.

Hon PETER FOSS: I will point out a mistake made by Hon Norm Kelly. He said the metropolitan region scheme overrides the town planning scheme. The reverse is the case; the town planning scheme overrides the metropolitan region scheme. When one wants to make an amendment, one must conform with the metropolitan region scheme. It is that point of law which has caused the problem. Returning to the example I gave before, the City of Wanneroo would never update its town planning scheme. Notwithstanding the fact that areas had been zoned urban for 10 to 15 years under the metropolitan region scheme, the City of Wanneroo still had not brought its town planning scheme into line with the metropolitan region scheme. When people who had land zoned urban under the MRS applied to the Wanneroo City Council to have the land zoned in a way which was consistent with the urban zoning of the MRS, they were refused unless they were prepared to pay a large amount of money. It was blackmail - there is no other word for it - and that blackmail is possible under the two forms of town planning. The metropolitan region scheme does not override the town planning scheme; the reverse is the case. It is the corrupt way that that has been used by local government which has necessitated this amendment.

However, if members reject this motion, they will reject the Bill. If members reject the Bill and the minister starts to use section 18, I will refer anyone who complains about the minister's dealings under section 18 to members opposite. That is their choice and if that is what they choose, fine. We should get on and vote on it. If members do not want it, that is fine; we are not suggesting that members do anything other than reject the Bill and face the consequences. Let us get on with it.

Question put and a division taken with the following result -

Ayes (12)

Hon M.J. Criddle	Hon Peter Foss	Hon N.F. Moore	Hon W.N. Stretch
Hon B.K. Donaldson	Hon Ray Halligan	Hon M.D. Nixon	Hon Derrick Tomlinson
Hon Max Evans	Hon Barry House	Hon Simon O'Brien	Hon Muriel Patterson *(Teller)*

Noes (13)

Hon Kim Chance	Hon John Halden	Hon Ljiljanna Ravlich	Hon Tom Stephens
Hon J.A. Cowdell	Hon Helen Hodgson	Hon J.A. Scott	Hon Ken Travers
Hon Cheryl Davenport	Hon Norm Kelly	Hon Christine Sharp	Hon E.R.J. Dermer *(Teller)*
Hon N.D. Griffiths			

Pairs

Hon Dexter Davies	Hon Mark Nevill
Hon Murray Montgomery	Hon Tom Helm
Hon Greg Smith	Hon Bob Thomas
Hon Barbara Scott	Hon Giz Watson

Question thus negatived; the Council's amendments insisted on.

Report

Resolution reported, the report adopted, and a message accordingly returned to the Assembly.

RIGHTS IN WATER AND IRRIGATION AMENDMENT BILL 1999

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Peter Foss (Attorney General), read a first time.

Second Reading

HON MAX EVANS (North Metropolitan - Minister for Finance) [5.18 pm]: I move -

That the Bill be now read a second time.

The Bill I introduce today modernises our water resource management laws, giving Western Australians the opportunity to be more productive and innovative in the way we use our rivers and ground water systems. Western Australia will be better able to protect these precious resources and the environment that depends upon them, as well as ensuring they are used productively.

The changes build on the lessons learned about water resource management, in both Western Australia and other places.

They have been designed to develop slowly, so that the reforms will not disrupt the ordinary business of water users. The current systems will be maintained and the new options contained in the reforms can be implemented as they become useful. The reforms will clarify many confusing or ambiguous laws, giving greater certainty and security to all water users.

The current water allocation processes, which safeguard environmental needs through planning and licensing, will be maintained and enhanced by the reforms. The changes will update and specify the licensing and environmental protection processes to be followed by the Water and Rivers Commission, as well as the commission's power in relation to private drainage, water collection and flood control activity. The amendments to the Rights in Water and Irrigation Act 1914 provide a process for local community involvement in managing water resources with the capacity to match management action to local needs.

The Bill will require the Water and Rivers Commission and communities to work in partnership to develop plans and strategies to deal with existing and emerging issues. It will do this in a way that protects the water resource, individual rights, and the public interest. An important feature of the legislation is that it will allow - but not force - people with a licensed water allocation to sell or lease their licence. This is being done now because we are facing an increasing number of areas of full water allocation - areas such as Carnarvon, Wanneroo and Jindong - where irrigators cannot develop their businesses because no more water is available. In these areas the transfer of licences between water users opens up opportunities for restructure of the irrigation industry, allowing the most profitable and productive uses to grow and others to be phased out without any burden on the taxpayer. It is the only fair way of allowing people with development aspirations to gain access to water.

This Bill also recognises Western Australia's wider obligations. We are a signatory to the very important Council of Australian Governments Water Reform Framework Agreement. That agreement, signed by the Premier on behalf of Western Australia, gives the State a double benefit: A modern plan for its water resource management systems and substantial payments to the State. The agreement has been incorporated into the COAG National Competition Policy Agreement of April 1995, and is a prerequisite for special competition payments and linking financial assistance grants to population growth. The Water and Rivers Commission has, since 1996, carefully developed a proposal for implementing the COAG agreement in a way that suits the legal systems and needs of Western Australia.

A wide-ranging and comprehensive public consultation program began in August 1997 and the Bill I present to the House is the result of that effort.

Objectives: The Bill establishes objectives for managing water. It sets out the scope of water resource management, the types of resource use that should be fostered and an obligation for the Water and Rivers Commission to work with the community. The objectives of the Bill are to manage water resources sustainably, protect environmental values, encourage the efficient use of water and actively engage local communities in management.

Community partnership: This Bill allows the Water and Rivers Commission and the community to operate in partnership to address the problems that we face in managing and using our precious water resources. The legislation provides for the establishment of water resources committees, and ensures that the plans and by-laws that govern water use in an area are subject to public review. It is proposed to establish committees that will take an active role in developing local policy and rules and arbitrating over disputes. This is an evolution of the existing advisory committee system that has served us so well for many years. The Bill gives the commission and water resources committees the flexibility to control what needs to be controlled and leave other matters in the hands of the landowner.

Rights to water: The Bill consolidates and clarifies the rights to control and use water. The current balance of crown and private rights is maintained. Riparian rights are the rights of property owners to take water from a waterway on their property. Conflicts over riparian rights regularly arise between neighbours during times of low flow, and existing operators can be disadvantaged by new developments. Under current arrangements, these conflicts cannot be resolved because there is no requirement in the Act for any riparian user to share the water with any other user. The current basic riparian rights are to be retained intact but, in times of shortage, local by-laws may be developed to ration flows. Presently, people building dams on proclaimed watercourses require the approval of the Water and Rivers Commission. Generally the approval is readily given but restrictions may be needed when the dam will seriously reduce the flow to downstream users. The overriding principle is that of preserving equity for users of the system.

A simple system of managing dams built on watercourses can be introduced without unnecessary red tape through a set of local by-laws or licences. Under the current Act, dams built outside watercourses are subject to control only if they affect the flow of a proclaimed watercourse. The control of so-called farm dams has quite unnecessarily concerned farmers during the consultation over the reforms. I am talking about those dams or tanks that are so common in Western Australia; where a farmer or pastoralist harvests stock water from the flow over his or her land. The Government has no intention, and never had any intention, of controlling or licensing these small farm dams - they are the lifeblood of the farming community. The legislation does not and will not restrict the building of dams that do not have a significant impact on water flow in watercourses. In fact the Bill amends the Act so that it cannot interfere with a farmer's right to harvest reasonable quantities of water from his land for stock supplies.

During the consultation period, many people expressed a concern over the inability to tackle the problems resulting from the use of springs. Of course, springs are jealously guarded by the landowner and any form of control must be carefully considered and properly justified. The Bill proposes that by-laws can be made to control the use of springs on private property if, and only if, the use will have a significant impact on other water resources. To ensure that proper consideration is given to the landowner's rights, controls can be introduced only when the water resources committee, the commission and the minister all agree that they are needed.

Allocation planning: Providing water for the environment is a highly controversial issue in many parts of Australia. But Western Australia has an enviable record in this regard. The Bill further develops and formalises our leading edge approach in meeting environmental water needs through a system of allocation planning at the regional, subregional and local levels.

Licences: The proposed reforms will increase the scope and flexibility of licensing and ensure that licensing is introduced only where it is needed. The reforms will allow local by-laws to be used as an alternative to licensing. The commission will have discretion in respect of the grant, transfer and terms of licences. The commission and water resources committees will deal with licence applications. They will be guided by the Act's objectives and consider matters that are relevant to management of water resources in that area. The commission may advertise the application to seek submissions from the community. The process will be open and the reasons for decisions will be communicated to those who are affected. Where the commission is considering a refusal or imposing limits on an approval, the commission must allow the applicant a right of reply before a decision is made.

Trading: Licences are, and will remain, the primary means of specifying commercial entitlements to use water. Under the reforms a licence will become a negotiable asset that the holder can trade solely at his or her discretion, provided this causes no environmental harm or other problems. Trading will give water users the opportunity to manage their supply of water, and match it to their needs. This new opportunity for agri-business will allow irrigators to increase their commercial returns and their security. Markets are already operating in South Australia, New South Wales, Victoria and among Western Australian farmers in the South-West Irrigation Cooperative. Trading will be introduced to an area only when the commission and the water resources committee agree it is ready and wants the trading.

The approval of the Water and Rivers Commission or the water resources committee will be required for the transfer of a licence and local by-laws may be made to prohibit or govern the transfer. The introduction of licence trading, if not properly controlled, could create conditions favourable to speculation. To manage this, controls will be placed on who can hold a licence. Licence renewal provisions have been included in the Bill to allow the tax-free status of these licences to be maintained.

Compensation: The Bill increases the provisions for compensation for water users, where appropriate. The Bill allows water users to be compensated for a forced reduction in their level of use resulting from the grant of an increase to others. The water user who benefits from the change will pay the compensation. If the change is made in the public interest, such as to increase the flow of a river for tourism or to resume water for a town water supply or major public development, the compensation will be paid by the State. No right to compensation will be created simply because of a conflict between people with established but competing rights or for changes that are necessary to reduce excessive use to sustainable levels.

Penalties: The penalties under the existing Act are very old and are to be increased to maintain their value as a deterrent to individuals and to corporations. For example, under the reforms, the individual penalty for taking water contrary to the Act will increase from $2 000 to $10 000. Under the Sentencing Act 1995, these penalties are deemed to be five times higher for corporations.

In conclusion, I believe the water management system Western Australia first adopted in 1914 has served Western Australia as well as we had a right to expect. It is now time to bring our water laws in line with modern water resource management principles. With the proposed reforms, we will have one of the best water allocation and management systems in Australia, one that fosters commercial opportunity and allows us to protect our wealth and environment without jeopardising our future.

In order to assist the members, I am tabling clause notes for the Bill. I commend the Bill to the House.

[See paper No 475.]

Debate adjourned, on motion by Hon E.R.J. Dermer.

PROSTITUTION BILL 1999

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Peter Foss (Attorney General), read a first time.

Second Reading

HON PETER FOSS (East Metropolitan - Attorney General) [5.25 pm]: I move -

That the Bill be now read a second time.

The Government is introducing legislation that it considers will give police increased powers better to control child prostitution, street prostitution, kerb crawlers, and advertising and sponsorship. The delay in presenting a Bill is not a result of any lack of commitment on the part of this Government to pursue the reform of prostitution laws in Western Australia; indeed, the delay has been occasioned by the need to achieve a position on this issue, which, at the end of the day, is not only acceptable to the community generally but also, in terms of effect, enforceable.

It is intended that the Bill will ensure the regulation of the activities of prostitutes and potential clients in public places and eliminate the involvement of children in prostitution. Therefore, the Bill precludes children from being prostitutes and prevents their exploitation for sexual gratification; protects the community by creating offences relating to health; and introduces offences to make street soliciting and kerb crawling illegal, regardless of who initiated the action, whether a prostitute or a client.

The Bill addresses the majority of the concerns expressed by members of both Houses concerning street and child

prostitution and, in so doing, endeavours to provide a unified approach to ensuring that this conduct is no longer tolerable within this State.

The Prostitution Bill includes provisions that not only make this conduct unlawful, but through the imposition of strict penalties, including forfeiture, are directed at empowering police more effectively to curtail this activity. In general terms, it will be an offence to be involved in street soliciting, irrespective of whether the person is a prostitute, a client or an agent; that is, a person who seeks to procure another for prostitution. Similarly, any person who in a public place seeks another to act as a prostitute or to be the client of a prostitute will commit an offence. It is intended that the effect of this provision will be to bring about a reduction in the demand for street prostitutes by targeting in the first instance those persons seeking the services of prostitutes - that is, kerb crawling - for which a penalty of a maximum of two years' imprisonment will apply. In reducing the demand for services it is reasonable to assume that supply will also diminish.

Research has indicated that a number of women soliciting in this manner are often looking to support a drug habit or to make a living. They are most susceptible to exploitation. Hence, a lesser penalty of a maximum of one year's imprisonment will apply to the prostitute. A greater penalty will apply where the offence involves a child.

I remind the House that a significant number of government and non-government agencies in the inner city and Northbridge areas have responsibility to work together to provide an appropriate welfare response when young people under the age of 18 years are found working as prostitutes.

In relation to public health, the sexual transmission of life-threatening infections such as HIV/AIDS and other forms of sexually transmitted diseases has been addressed through the inclusion of specific offences. For example, a person who knows or who could reasonably be expected to know that they have a sexually transmitted, life-threatening infection who acts, or offers to act as a prostitute, will on conviction be subject to a penalty of imprisonment for a maximum of 20 years. On the other hand, where that conduct involves a sexually transmitted infection that is non-life threatening, a lesser penalty of a maximum of five years' imprisonment will apply.

One of the most offensive and visible adjuncts to prostitution is found in public advertising. The Bill will prohibit anyone from publishing any statement promoting employment in prostitution or from entering into a sponsorship arrangement which promotes prostitution. In reflecting the seriousness with which this issue is viewed, a penalty of a $50 000 fine has been provided. In addressing the issue of advertising, I take the opportunity to thank the *Sunday Times*, *The West Australian* and Community Newspapers of Western Australia for their efforts in working with the Government to deliver a code of conduct that will limit the content of advertising for the purpose of prostitution. While the Government intends to monitor this accord, with a view to ongoing self-regulation by the parties involved, I take this opportunity to commend them for adopting this position on the issue.

While the exploitation of women is a serious issue, the community generally is appalled by those within society who would see fit to exploit children for the purpose of the sexual gratification of others, as has been the case in relation to the Asian sex tours and the steps taken to address that issue. As a consequence, a child - being a person under the age of 18 years - will be prohibited from involvement in or from being exploited for the purpose of prostitution. The Bill makes it an offence for any person to -

> Cause, permit or seek to induce a child to act or continue to act as a prostitute or do anything with the intention of inducing a child to act or continue to act as a prostitute;
>
> Receive any payment, in money or any other form, knowing that it or part of it has been derived, directly or indirectly, from a child taking part in an act of prostitution, whether as a prostitute or client; or
>
> Enter into, or offer to enter into, an agreement under which a child is to act as a prostitute, whether for that person or any other person.

A penalty of a maximum of 14 years' imprisonment will apply to these offences. In addition, where a person takes part in an act of prostitution, whether as a prostitute or client, knowing that a child is present; provides acts of prostitution where the client is a child; or allows a child to enter or remain on premises where acts of prostitution are carried out, that person commits an offence for which appropriate penalties are provided.

However, there are occasions when the person acting as a prostitute or seeking the services of a prostitute, is himself or herself a child and therefore it is essential that the actions of a child in these circumstances should constitute an arrestable offence. This will empower police to take appropriate action in removing the child from further risk and to place that child in the care of an appropriate authority, such as Family and Children's Services.

To strengthen the effect of the Bill it is necessary to provide police with new powers of search and seizure and to provide for the undertaking of covert operations - subject to appropriate guidelines - to meet the evidentiary requirements necessary to ensure a conviction and to police the provisions of the Bill, particularly those relating to children and health. These powers have been developed by drawing from existing powers in the Criminal Code, the Misuse of Drugs Act 1981 and the Censorship Act 1996, and have been adapted to meet the unique situations likely to be faced by police when dealing with prostitution and the investigation of related offences. This includes -

> A power of entry without warrant, at any time, to any place from which a business involving the provision of prostitution is or is suspected of being conducted. This provision enables the timely investigation of suspected prostitution offences relating to children or health and empowers police to detain and search all persons found on such premises.

Powers relating to seizure, retention and disposal of property. This provision allows for the seizure, retention and disposal of property during an investigation of any offence under the Bill. This is consistent with the powers contained in section 28 of the Misuse of Drugs Act 1981 and those which have been included in the Weapons Act 1999.

A new search warrant similar to that in the Misuse of Drugs Act 1981 has been created to enable searches of any place which may reveal evidence connected to prostitution. The warrant allows for the searching of any person on those premises and the gathering of evidence as to the commission of an offence under this Bill.

The Bill will allow police officers to operate covertly in order to obtain evidence of the commission of an offence. Statutory protection from prosecution will be provided for certain offences committed by undercover officers in the performance of that duty. Examples of the offences which may be committed by undercover officers in order to obtain evidence are the use of a false name; soliciting sexual services in public; or seeking sexual services at a business involving the provision of prostitution.

These powers have been provided as an interim measure until the criminal investigation (covert operations) Bill is finalised.

In addition to the offences relating to street soliciting, police officers will be empowered to issue a move-on notice where they suspect that a person is committing, or is about to commit a soliciting offence. The move-on notice will enable police to direct a person to move away from a specified area. The notice will prevent a person from returning to the area for a period set by police - maximum of 24 hours. Additionally, whn a person is convicted of a soliciting offence or an offence relating to a move-on notice, the courts will be empowered to issue restraining orders prohibiting that person from returning to a specified area or engaging in a specified course of conduct. These provisions are detailed in part 6 of the Bill and have been drawn from the current Restraining Orders Act 1997.

Part 7 of the Bill contains evidentiary averments in relation to certain offences created by the Bill. These averments have been included to overcome the evidentiary difficulties likely to be encountered, by placing the onus of proof on the other parties with regard to prostitution-related offences.

The issue of street and child prostitution is not for any one state government body to resolve in isolation as it is accepted that a number of agencies have a key role to play. The Bill therefore provides the powers and protections necessary to enable the relevant instrumentalities to work together and to coordinate their actions and resources in addressing this very issue.

As a consequence, the Bill allows for the exchange of information between relevant state authorities that may be required to deal with prostitution and other related issues; and provides protection of a person who, in accordance with the provisions of the Act, provides confidential information to an authorised state authority. In addition, regulations may be prescribed by the Governor on matters required or permitted by the Bill.

This Bill represents another major step in the commitment of the Government to law and order. In particular, it provides the Police Service with modern and more effective powers to enable police to deal adequately with the issue of street and child prostitution. In addition, it provides an assurance to the community that the Government is listening to community concerns relating to prostitution and is prepared to act to curb the incidence of street soliciting and kerb crawling, and the exploitation of children for the purpose of prostitution.

I commend the Bill to the House.

Debate adjourned, on motion by Hon E.R.J. Dermer.

GENDER REASSIGNMENT BILL (No. 2) 1997

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Peter Foss (Attorney General), read a first time.

Second Reading

HON PETER FOSS (East Metropolitan - Attorney General) [5.36 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to enable persons who have undergone reassignment procedures to obtain a recognition certificate indicating that they have undergone a reassignment procedure and are of the gender stated in the certificate. People suffering from gender dysphoria and who have completed medical procedures to alleviate their condition will gain legal recognition of their reassigned gender under this proposed legislation. It is estimated that at least 250 people in Western Australia suffer from gender dysphoria, of whom about 80 have undergone gender reassignment procedures.

Presently in Western Australia the law which determines the gender of a person is the biological - that is, chromosomal - identity of a person. Gender reassignment does not alter the chromosomal identity of a person. Therefore, such a person, who has undergone reassignment surgery, retains - for the purposes of WA law - their gender of birth.

The Bill has three main purposes. Firstly, to establish a gender reassignment board which will be able to issue recognition certificates to persons who have undergone, whether in Western Australia or elsewhere, gender reassignment procedures. Secondly, to enable the Registrar General to register the reassignment of gender as indicated on the recognition certificate and to issue a new birth certificate showing the person's gender in accordance with the altered register. Thirdly, to provide protection from discrimination on the ground of gender history when a person has undergone reassignment procedures.

Gender reassignment legislation was enacted in South Australia in 1988, and recently in the Australian Capital Territory, New South Wales and the Northern Territory. Similar legislation also exists in other countries, including Germany, Greece, Italy and Holland, and at least 25 jurisdictions in the United States allow for the issue of new birth certificates, as do a number of Canadian provinces.

The Commonwealth has also, in some instances, recognised the reassigned gender of a person; for example, the Department of Foreign Affairs and Trade has provided Australian passports showing the person's gender as the gender of his or her reassignment. However, such passports are not to be interpreted as indicating the Commonwealth Government's view of that person's general legal status. However, for the purposes of the Social Security Act a gender reassigned person is recognised as a person of his or her reassigned gender.

The proposed legislation does not deal with questions relating to marriage. The legal status of persons for the purpose of marriage is governed by the Marriage Act of the Commonwealth Parliament. This Bill does not intend to alter or overturn the provisions of the Marriage Act and, for example, in that regard the Bill provides that a recognition certificate cannot be issued to a person who is married.

The Bill will establish a Gender Reassignment Board which, before issuing a recognition certificate, must be satisfied that the person believes his or her true gender is the gender to which the person has been reassigned; has adopted a lifestyle and has the gender characteristics of a person of the gender to which that person has been reassigned; and has received proper counselling in relation to his or her gender identity.

If the applicants had the reassignment procedure carried out in Western Australia or their birth is registered in Western Australia or they are and have been resident in Western Australia for not fewer than 12 months and the board is satisfied in relation to those criteria, a recognition certificate may be issued.

The recognition certificate will be conclusive evidence that the person to whom it refers has undergone a reassignment procedure and is of the gender stated in the certificate. The Bill also proposes that an equivalent certificate issued under a corresponding law will have the same effect as a Western Australian recognition certificate.

When a recognition certificate is produced to the Western Australian Registrar General, that reassignment of gender must be entered on the register and the Registrar General must, unless otherwise requested by the person or as permitted by regulations, issue a birth certificate showing the person’s gender in accordance with the register as altered.

The Bill also provides for the issue of replacement qualification certificates. This clause will permit an authority which issues a certificate of qualification to issue a replacement certificate when the original certificate is issued in a name of a person who has been reassigned and adopted another name; for example, an original certificate may be in a name, which in regard to gender, is inappropriate.

The Bill also proposes that appeals against the decision of the board lie to the Supreme Court. The Bill also proposes to amend the Equal Opportunity Act. The Bill will protect persons who have obtained a recognition certificate and who are discriminated against in, for example, work, education, accommodation and sport on the ground of their gender history.

The provisions in the Bill deal with this discrimination in the same areas as covered by other grounds of discrimination in the Equal Opportunity Act. This gender reassignment legislation will assist persons who have undergone reassignment procedures by clarifying their legal status and rights. I commend the Bill to the House.

Debate adjourned, on motion by Hon E.R.J. Dermer.

BILLS - RETURNED

1. National Rail Corporation Agreement Repeal Bill 1999.

2. Railway (Northern and Southern Urban Extensions) Bill 1999.

Bills returned from the Assembly without amendment.

ADJOURNMENT OF THE HOUSE

Special

On motion by Hon N.F. Moore (Leader of the House), resolved -

That the House at its rising adjourn until Tuesday, 7 December 1999.

Ordinary

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [5.40 pm]: I move -

That the House do now adjourn.

Government Light Vehicle Fleet - Adjournment Debate

HON NORM KELLY (East Metropolitan) [5.41 pm]: I take this opportunity to make a few comments about an initiative, if one can call it that, of the Government which was announced about 19 months ago and about the impact that initiative has had. Members may have heard the questions that I tried to get answered during question time today. I was hoping that the Minister for the Environment would be able to answer those questions, because her office gave me the details last week. Unfortunately, communication within the minister's office seems to be pretty poor and the likelihood of getting answers to questions out of that ministerial office is very poor indeed.

The initiative I want to talk about relates to a proposal to increase the number of vehicles in the government light vehicle fleet that are run on liquefied petroleum gas or are dual fuel usage vehicles. On 5 April 1998, the Minister for the Environment and Minister for Services put out a joint media statement. I will read a few quotes from that to give members an idea of what this initiative was about. It states -

> The State Government today announced a new initiative in the battle against photochemical smog.

It then states -

> . . . the Government would conduct a State-wide trial to encourage Government agencies to use vehicles which run on both unleaded fuel and Liquid Petroleum Gas (LPG).

A quote from the Minister for the Environment reads -

> This Government is leading by example in its efforts to reduce air pollution through introducing 'dual fuel' vehicles into its car fleet.
>
> In LPG mode, vehicle emission of pollutants is substantially less than in petrol powered mode.

That is a clear indication from the minister that the Government recognises the environmental benefits of running on LPG rather than on petrol. The minister states -

> . . . programs such as this will help make a difference in improving our air quality.

In the same media release, the Minister for Services, Hon Mike Board, states -

> Vehicles would come into the trial progressively until the target of 300 is reached.

This was to be a two-year trial. My questions related to how successful that trial has been. I first made inquiries to the office of the Minister for Services about seven weeks ago, and then to the Minister for the Environment about six weeks ago to try to get some information on that. It was only last week that I received any decent information. The briefing note that I received from the minister on the trial states -

> The take up rates among agencies has been substantially lower than anticipated, with only 31 vehicles involved.

Therefore, 19 months after the announcement of this initiative of a 300-vehicle trial, only 31 vehicles are involved.

Hon Ken Travers: That is Hon Norm Kelly, Dr Hilda Turnbull, and me.

Hon NORM KELLY: There are only 28 other vehicles, and I am sure those drivers would put up their hands.

Only 31 vehicles are involved in what was to be a 300-vehicle trial 19 months after the announcement of a 24-month trial. The minister's briefing note tries to explain away the failure of the Government to do anything constructive about making this change. The briefing note states -

> . . . DEP advise that the 31 vehicles participating in the trial are sufficient to provide some useful information . . .

I wonder why the Minister for the Environment and the Minister for Services even bothered to announce there would be a 300-vehicle trial in the first place? As I said, I asked questions to find out whether there were legitimate reasons the ministers had not been able to reach the take-up target of 300 vehicles. They cannot even answer my damn questions.

Hon Ken Travers: May be the Matrix contract makes it too expensive for them?

Hon NORM KELLY: The press release refers to contracts. Members would be aware that LPG is typically about half the price of unleaded petrol in this State and there are good arguments for why it should be even cheaper than it is. Even so, it is about half the price of unleaded petrol. Given that gas-driven vehicles use slightly more fuel than petrol vehicles, it usually works out to be about a 40 per cent saving when one balances off the fuel economies. The briefing note states -

> . . . a tender contract fuel price of $0.25 per litre was negotiated with one supplier, with substantial price reductions from the others.

The Government is able to get this LPG at 25¢ a litre. I am not too sure what price the Government buys its unleaded petrol for, but while LPG is commonly retailing for 85¢ a litre, the Government is able to access LPG for a mere 25¢ a litre, yet we can get only 31 vehicles onto this scheme. Even with the massive power that the Government has to influence the types of vehicles and the fuel products to be used in its light vehicle fleet of more than 10 000 vehicles, it can get only 31 vehicles onto this trial. It is an absolute disgrace that the Government has not been able to do better. Not only that, it cannot provide answers about the success of the trial. The Government realises it is in a bind here. It likes to make these announcements but it does not follow through on them.

The briefing note also refers to the difficulty of finding vehicles for the trial that do 40 000 kilometres in two years, etc. The briefing note states that the trial could be enhanced by incorporating a greater proportion of the government light duty fleet. The Government has only five months left in this two-year trial and it decides to trial some of the lower mileage vehicles on LPG to see how they would go. After all, it only needs 269 more vehicles for this trial!

Hon Ken Travers: Is your vehicle on the trial? I had to make a number of telephone calls before I was sure mine was listed in the trial.

Hon NORM KELLY: I am not too sure if mine is on the trial. I still have not found out who is in charge of coordinating the trial. I believe the Department of Environmental Protection is organising the trial, but I have not managed to make contact with the nameless soul in that office who is coordinating this trial. The briefing note goes on to say -

> Similarly it has been suggested that rather than focus solely on expanding the trial, benefits could be gained by looking more broadly at the use of alternative fuels.

Damn it; before we even get a trial on something that we know is economically and environmentally better, the Government is saying we should try other alternative fuels. Some members might think this rings a familiar bell; it does. Recently the Minister for Transport was going on about how much better diesel fuel is than compressed natural gas. Even though the rest of the country and the world recognises that CNG is a better, cleaner product than diesel - irrespective of whether it is Euro II, Euro III or whatever - the Minister for Transport is saying that the Government does not want to think about CNG or LPG, it wants to go straight to hydrogen fuel cell technology. He does not seem worried that it is not commercially viable at this stage. Some people say it will be viable in about five years' time, while others say it will be about 15 years' time before that. We will have a whole generation of government buses operating on diesel when they could have a better impact on our economy and our environment by using gas.

There are other benefits. Although I am being critical of the Government, because I believe it has failed so far in this so-called initiative, I encourage the Government to show some leadership. Because of its buying power, it has massive influence on the light vehicle fleet, in not only the government sector but also the private sector. Vehicles in the government light vehicle fleet are usually auctioned after two years of use or when they done 40 000 kilometres. Therefore, the Government would quickly have an impact on the wider community as these vehicles moved into the private sector. At the moment less than half of 1 per cent of the light vehicle fleet uses LPG. If that were increased to 5 or 10 per cent, every couple of years between 500 and 1 000 of these cars would go into the private sector. That would have a flow-on effect. Because of increased demand for LPG, there would be more demand for servicing points, more outlets and more pressure to reduce the price to a more realistic level. It would alleviate the problem of there not being enough experienced LPG mechanics and technicians. The Government should demand that members of Parliament not be required to pay extra for an LPG-powered vehicle. I pay an additional $100 a month because I have this type of vehicle. The Government should encourage all departments to have a baseline minimum of their light vehicle fleet powered by LPG. It is time. It is economically viable. The Government has said it does not know that yet, but that is because it has not committed to this trial. I cannot get an answer through question time in this House, and I urge the Minister for the Environment to respond through this House and show what can be done about this trial.

Distribution Adjustment Assistance Scheme - Adjournment Debate

HON KIM CHANCE (Agricultural) [5.52 pm]: It has been a long and hard week, and I have no intention of holding members in this place for longer than is necessary. I rise simply to draw the attention of members to a letter they will all have received, because it is addressed to all members of the State Parliament. As it arrived only today, they may not have had the opportunity to read it yet. In the days available before this House resumes, I urge members to carefully read the letter in their offices from G. and D. Nagy, who are members of that group of disadvantaged milk vendors.

Hon Ken Travers: It is an excellent letter.

Hon KIM CHANCE: Indeed it is, and that is why I draw it to the attention of members. If members have had some difficulty following the somewhat complicated twists and turns of the milk vendors issue - that is not meant as a criticism - I urge them to spend five or 10 minutes reading and understanding it. I have not seen the case put so clearly and precisely before. I particularly urge members to understand the difference between the three versions of the distribution adjustment assistance scheme - DAAS A, DAAS B, and DAAS C. When members have read the letter they will begin to understand why that group of eight or nine milk vendors who fit into DAAS B feel so aggrieved. This letter makes it clear.

I was tempted to read part of the letter into the record, but I will not do so because it is sufficient to draw the letter to the attention of members. I urge members to go through the letter and perhaps to reconsider their attitude about having more influence on the Minister for Primary Industry in terms of the Standing Committee on Public Administration's report No 10. This is a matter which we should all try to resolve. If we have not been able to resolve it because it was so complicated and hard to understand, and because some may have thought it applied to 250 milk vendors and not just eight, this letter will clear that from members' minds forever.

Local Government Candidates - Adjournment Debate

HON KEN TRAVERS (North Metropolitan) [5.55 pm]: I raise a matter relating to the local government elections in Joondalup and Wanneroo. As members know, the commissioners appointed by the State Government have been in place for 18 months, and elections are due to be held on 11 December. I have looked at the list of candidates nominated for election, and I am concerned that the Liberal Party may be up to some of the tricks for which it is notorious in the Wanneroo area. A number of the candidates are community activists and, to the best of my knowledge, they have no party affiliations, although I may be wrong about that.

There is the odd member of the Labor Party; I think only two of the candidates from the many who have nominated are members of the Labor Party.

Hon Simon O'Brien: How odd are they?

Hon KEN TRAVERS: The odd members of the Liberal Party are all in this place. I accept that members of political parties

have the right to stand for election, but along with that right they have an obligation to be honest. In the City of Wanneroo, I recently saw an advertisement in the local newspaper which specifically outlined the number of groups and organisations with which one of the candidates is associated. I refer to Alan Carstairs, who is a well-known former member of this place. He listed a number of groups of which he is a member, but for some reason failed to mention that he was formerly a member of this place. I thought he would be proud to advise the people of Wanneroo of that and also proud to outline that he is an active member of the Liberal Party. I understand that he has held, and may still hold, numerous official positions.

Hon Ray Halligan: Do John Hyde and John D'Orazio do that sort of thing?

Hon KEN TRAVERS: Absolutely. They have never hidden from it.

Hon Ray Halligan: Do they stand up publicly and say they are members of the Labor Party?

Hon KEN TRAVERS: Absolutely.

Hon Ray Halligan: I have not seen it.

Hon KEN TRAVERS: I am glad Hon Ray Halligan has mentioned the Town of Vincent, because I intended to refer to that. The candidate to whom I have referred is clearly a declared Liberal. I do not know whether it is a matter of shame and he does not want to admit to being a Liberal or be seen to be too closely associated with the member for Wanneroo, who is a Liberal in the local area. That might be the reason.

Hon Simon O'Brien: There is the more prosaic reason that the Liberal Party constitution does not permit the endorsement of candidates at local government elections. It is as simple as that.

Hon KEN TRAVERS: Perhaps members in the House who were at the recent preselection meetings for Wanneroo and Joondalup can inform me whether the issue was raised of who local members supported.

Hon Simon O'Brien: There were no Liberal Party preselection meetings for the local government elections.

Hon KEN TRAVERS: What about for the seats of Joondalup and Wanneroo? Was the issue of support by local members for one or another candidate raised at those meetings? Perhaps Hon Ray Halligan or others involved in those meetings will be able to inform the House. They may not have formal endorsements, but the member should not try to kid me that there are no informal endorsements and that the Liberal Party machine in the northern suburbs does not have preferred candidates that it is backing in this race.

Hon Ray Halligan: I wonder why the member is denigrating these people. Is it the purpose of this adjournment debate to denigrate people?

Hon KEN TRAVERS: No, I am not denigrating people. I am asking why Alan Carstairs did not include the Liberal Party in the list of organisations with which he is associated.

Hon Kim Chance: He only mentioned the ones he was not ashamed of.

Hon KEN TRAVERS: Yes. Another thing that concerns me is the number of current or former staff members of Liberal members of Parliament who are candidates in the local government elections in Wanneroo and Joondalup. It concerns me that it seems to be about the Liberal Party machine. It is not just the Liberal Party machine that concerns me but that Liberal Party members of Parliament in the northern suburbs want to take over the councils of the Cities of Wanneroo and Joondalup. The list of candidates for the local government elections includes people such as Helen Maher, who is a staffer for the member for Wanneroo, and Ian Goodenough, who is a staffer for members of Parliament in the northern suburbs. Mr Goodenough is running for the coastal ward in the City of Wanneroo.

Hon Barry House: Are no people from Labor Party offices running for local government?

Hon KEN TRAVERS: There are no Labor Party staffers running in the Cities of Wanneroo and Joondalup. The Labor Party does not have the reputation that the Liberal Party has. It gained that reputation through its past dirty deals in the City of Wanneroo. This is about keeping the Liberal Party's scummy hands off the Cities of Wanneroo and Joondalup. Its former councillors have been discredited in the past. I thought that the Liberal Party would want to keep well away from Wanneroo and Joondalup given its past record. The Labor Party does not have a record like that.

Hon E.R.J. Dermer: Surely an association with the Court Government would be an embarrassment in these elections?

Hon KEN TRAVERS: I am sure it would be. One wonders whether they want to put a belltower in the council offices. Ian Goodenough has been hocking himself. I assume he is a Liberal Party member, because he works in a Liberal Party office. He has been hocking himself around looking for a seat on a council, backed by Liberal members in the northern suburbs. Members may remember when Ian Goodenough ran for a seat during a by-election in the Town of Vincent about two years ago. There was a lot of comment at the time, and allegations that were denied by Kim Hames, the member for Yokine. Rob Johnson drove down in his Fairlane from the northern suburbs to try to get a foothold in the Town of Vincent through Ian Goodenough. Mr Goodenough has now resurrected himself as a candidate for the coastal ward of the City of Wanneroo. He is also a Liberal Party staffer. We must be careful about whether the Liberal Party is making a push to get control of the councils in the Cities of Wanneroo and Joondalup.

Hon Ray Halligan: Does the Labor Party not control the Town of Vincent?

Hon KEN TRAVERS: I do not know many of the people running in the City of Joondalup elections, but -

Hon Barry House: Hon Ken Travers is putting a label on these people. He is denigrating them.

Hon KEN TRAVERS: I do not make allegations when I do not know whether people have an active connection to the Liberal Party. I might be wrong. I would love to know whether some of the other candidates have ties to the Liberal Party.

Hon Ray Halligan: If Hon Ken Travers has proof, he should bring it forward.

Hon KEN TRAVERS: I gave the House proof with the three people I know. Does Helen Maher not work for Ian MacLean?

Hon Simon O'Brien: The member knows she does.

Hon KEN TRAVERS: That is why I say it. Was Hon Alan Carstairs not a former Liberal Party member in this place?

Hon Ray Halligan: Is there something wrong with that?

Hon KEN TRAVERS: I received an answer to a parliamentary question the other day that said Ian Goodenough is employed in the offices of Liberal members of Parliament.

Hon Ray Halligan: That is not hidden.

Hon KEN TRAVERS: No, but he is not giving that information to the electors in the City of Wanneroo. He did not tell the electors in the Town of Vincent that it was the case. He has been hocking himself around looking for seats. It is all fact; I am not making any allegations that are not in black and white and absolutely true.

Hon E.R.J. Dermer: Maybe the candidates do not want to mention their association with the Liberal Party?

Hon KEN TRAVERS: Hon Ed Dermer might be on to something. The candidates are embarrassed to admit they are Liberal Party members. They are concerned about that.

Hon Ray Halligan: That would never be the case.

Hon KEN TRAVERS: I would be very concerned about it.

Hon Simon O'Brien: This will come back and bite Hon Ken Travers on the bum one day.

The PRESIDENT: Order!

Hon KEN TRAVERS: I am not surprised that a former City of Canning councillor is concerned about these discussions. If anyone wants to take the time to look at the list of candidates in the City of Joondalup, they will see a long list of current and former staff members of Liberal members of Parliament. I will not bother going through the list. The list also contains the names of people with close connections to the Liberal Party. I just hope that the electors in the Cities of Wanneroo and Joondalup are smart enough to notice this. I do not want to hear the results on 11 December and for it to be like in that movie: "They're back!". That is what it will be like. The same sort of carry-on by the Liberal Party northern councils will continue. I hope that some of the good community activists, who are not connected with political parties, win seats. I am aware a number of such people are running and I hope they are successful and win seats over the Liberal candidates.

Question put and passed.

House adjourned at 6.05 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

CHIPLOGS, ROYALTIES INVESTIGATION

62. Hon NORM KELLY to the Minister for Finance representing the Minister for the Environment:

Under clause 4.4 of the contract of sale of log timber between the Department of Conservation and Land Management ("CALM") and WA Chip and Pulp, dated December 29, 1997, an investigation was due to be completed by June 30, 1998 of methods of varying the royalty on chiplogs by reference to movements in FOB prices -

(1) What was the result of this investigation?

(2) Have royalty charges changed as a result of the investigation?

(3) What is the current base and gross royalty on chiplogs?

(4) Will the Minister for the Environment table the report of the investigation?

(5) If not, why not?

(6) With reference to clauses 9.1 and 9.2, have either party submitted proposals for, or agreed to, increases or reductions in the level of chiplog supply for 1999?

(7) If yes, by how much?

(8) With reference to clause 9.4, will the Minister table the advice from CALM to the buyer setting out the likely coupes to be logged for 1999 and the likely quantities of chiplogs?

(9) If not, why not?

Hon MAX EVANS replied:

(1) The option to vary royalty by reference to movements in the free on board price was not proceeded with.

(2) Not applicable.

(3)

	Swan and Central Forest Region	Southern Forest Region
Gross Royalty:	$20.70 per tonne	$22.32 per tonne
Base Royalty:	$16.27 per tonne	$16.27 per tonne

(4)-(5) Not applicable.

(6) Yes.

(7) A reduction in the Log Timber Intake for 1999 sufficient to produce 80,750 tonnes green weight of woodchips.

(8) I seek leave to table the advice from CALM. [See paper No 474.]

(9) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, INFORMATION TO PEOPLE OF NON-ENGLISH SPEAKING BACKGROUNDS

372. Hon LJILJANNA RAVLICH to the Attorney General:

(1) For all Government departments and agencies under the Attorney General's control, what was the budget allocation for the provision of information to people of non-English speaking backgrounds in -

(a) 1994/95;
(b) 1995/96;
(c) 1996/97;
(d) 1997/98; and
(e) 1998/99?

(2) Have any Government or departments under the Attorney General's control utilised the services of radio 6EBA non-English print media as media to provide information for people of Cultural and Linguistic Diverse backgrounds?

(3) If not, why not?

(4) If yes to (3) above, how much was spent on -

(a) electronic media; and
(b) print media, in -

(i) 1994/95;
(ii) 1995/96;
(iii) 1996/97;
(iv) 1997/98; and
(v) 1998/99?

Hon PETER FOSS replied:

(1)-(4) Please refer to the answer given in response to question on notice 381 of 7/9/99.

GOVERNMENT DEPARTMENTS AND AGENCIES, LAND SALES IN EXCESS OF $500 000

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

Can the Minister for Education provide the following details of land sales in -

(a) rural and metropolitan; and
(b) commercial and residential,

undertaken by departments and agencies in the Minister's portfolio areas, since September 1, 1998, which had a sale value of $500 000 or more -

(i) name and location of the land sold;
(ii) date sold;
(iii) nature of sale and name of buyer;
(iv) the names of any non-Government agents involved in the sale;
(v) proceeds received from the sale;
(vi) associated revenue from the sale, such as stamp duty; and
(vii) any associated costs incurred in the sale process?

Hon N.F. MOORE replied:

Education Department of Western Australia

(a)-(b) (i)-(iii)
School sites that have been sold since 1 September 1998 with a value of $500 000 or more are provided.

Site	Date	Nature and Buyer	Non-govt. Agents	Proceeds	Revenue	Cost
Goegrup High School Site	23/02/99	Agreed Valuation/Private Treaty Foundation Christian School Inc	Not applicable	$575 000	Exempt	Nil
Greenwood Primary School	22/03/99	Auction – 7 separate tenants in common	Not applicable	$3 300 000	$154 855 stamp duty	$4 062
Port Hedland Primary School	22/08/99	Agreed Value/Private Treaty Minister for Health	Not applicable	$950 000	Not applicable	Nil
Kewdale Senior High School	03/11/99	Australian Islamic College Perth (Inc)	Stanton Hillier Parker	$6 500 000	Exempt	$100 000 estimated
Busselton Primary School	03/11/99	FAL Associated Ltd	Chesterton International	$6 000 000	$285 805	$100 000 estimated

Department of Education Services

(a)-(b) (i)-(vii)
The Department of Education Services has not sold any land valued at $500 000 or more since 1 September 1998.

Curriculum Council

(a)-(b) (i)-(vii)
The Curriculum Council has not sold any land valued at $500 000 or more since 1 September 1998.

COCKBURN SOUND, ARSENIC LEAK

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

(1) How did the Department of Environmental Protection (DEP) and CSBP calculate the amount of arsenic which has leaked into the environment?

(2) What monitoring system did CSBP have in place?

(3) Given that many serious breaches have occurred in the last two years what has the DEP done to prevent further pollution at this plant and to ensure that CSBP adopts best practice environmental management?

(4) Will the DEP be upgrading their own monitoring regime?

(5) If so, how?

Hon MAX EVANS replied:

(1) CSBP provided its estimate of the amount of arsenic discharged to the Sound to DEP. The calculation was based on the monitored monthly average concentration of arsenic in water discharged to the Sound and the monitored

volume of waters discharged. This calculation is consistent with an approximate mass balance of arsenic from the vetrocoke tank.

(2) CSBP takes daily representative samples of waste water discharged to the Sound. These are later analysed and expressed as monthly averages. CSBP also monitor on a daily basis the volume of waste waters discharged.

(3)-(4) DEP has been identifying issues to be addressed at CSBP through regional investigations as well as plant audits and inspections. For example, for nitrogen, a pollutant of major concern in Cockburn Sound, and arsenic there has been a considerable reduction in pollutant loads.

(all figures in kilograms)	Nitrogen	Arsenic
1990	428,900	48
1997	82,000	8

To a large extent, the work undertaken by DEP in the Southern Metropolitan Coastal Study has focused attention on the cumulative loads of contaminants to Cockburn Sound from all sources including industry and domestic drainage input. As a consequence of this work by DEP, industry was required to project estimates of its emissions to Cockburn Sound to the year 2020. This resulted in many industries developing reduction strategies with the view to achieving effectively zero discharge. CSBP adopted a strategy to progressively achieve this target by the year 2008.

With respect to the recent arsenic spill, in addition to actions taken by CSBP to prevent further discharge of arsenic to the Sound, DEP has directed the company to close off drains, flush them and to remove all contaminated sediment from the final effluent pond. This work has already been completed. DEP also directed that valves on all process vessels and pipes in the old ammonia plant which could contain arsenic solution, be inspected, closed, locked and sealed.

DEP will be reviewing the CSBP licence to require improvement in CSBP's current monitoring, management and reporting practices. DEP will also review its policy of inspections and monitoring as an integral part of its periodic compliance audits of licensed premises.

SCHOOLS, CLEANING CONTRACTING

703. Hon BOB THOMAS to the Leader of the House representing the Minister for Education:

I refer to the reported comments by Education Department spokesman, Geoff Power, that cleaning contracting is only being introduced in areas where it is viable, such as the South West, south coast and regional centres and ask -

(1) What determines the viability of the contracting out of cleaning services in particular areas and what differentiates these areas from other areas, in particular the metropolitan area?

Hon N.F. MOORE replied:

(1) The Education Department has identified schools in regional areas where it believes there is a business case for the outsourcing of school cleaning. The selection of schools for inclusion in the program is undertaken on an assessment of the availability of contractors or the possibility of establishing new contracts, school size, availability of personnel, social factors and geographic location. The tender process benchmarks contract costs against day labour. Should contracts not provide value for money, day labour cleaning will remain.

(2) There is no document to table in this regard. The figure of $5 million in savings attributed to an Education Department spokesperson is based on an estimate of expenditure for 1999/2000 of $41.8 million, and for 2000/2001 of $36.5 million. This gives a saving of approximately $5 million.

(3) Not applicable.

(4) The Education Department has developed and implemented a Quality Monitoring System to check cleaning standards in schools. This system requires contractors to conduct a monthly inspection of schools, in conjunction with the school principal. The Department also has Technical Officers that conduct random and regular inspections of schools. Should a contractor not maintain the required standards, the Department has the right to terminate the contract. Where a contractor has the contract terminated, they are prohibited from tendering for other contracts for a two-year period.

ALBANY PRIMARY SCHOOL, LEASING OF PLAYING FIELDS

764. Hon BOB THOMAS to the Leader of the House representing the Minister for Education:

(1) Will the Minister for Education table the policy which allows the Albany Primary School to lease a part of its playing fields to an adjacent shopping centre during its redevelopment?

(2) Will the Minister cite which section of the policy gives permission for a deal of this nature to be entered into?

(3) Does the Minister support the deal which will see the Albany Primary School give up a part of its playing fields for up to six or eight months?

Hon N.F. MOORE replied:

(1) Yes. Please refer to tabled document "Community Use of School Facilities – Policy and Guidelines" (1997). [See paper No 471.]

(2) Pages 2-4 of the tabled document provide the authority to enter into such arrangements.

(3) This decision was the responsibility of the Principal involved, in consultation with the school community. Ministerial approval was not required. The proposed lease arrangement would have provided the school with additional funds, over and above its current level of resourcing for educational programs and initiatives, and was to include provision for improvement of the playing fields. As you would no doubt be aware by now, due to divisions within the school community on this matter the Principal of Albany Primary School has decided against pursuing this arrangement.

EDUCATION DEPARTMENT, PEOPLESOFT PAYROLL SYSTEM

781. Hon HELEN HODGSON to the Leader of the House representing the Minister for Education:

I refer to the "Peoplesoft" payroll system that the Department of Education has been using, and ask -

(1) Is the department still receiving complaints that teachers are not receiving the correct rate of pay?

(2) How many such complaints were received relating to the third school term?

(3) What is the longest period that an employee has to wait for errors in their pay to be corrected?

(4) What arrangements does the department make to assist teachers who are (or have been) in financial difficulties because of errors in their pay?

Hon N.F. MOORE replied:

(1) No.

(2) Less than 10.

(3) The time taken to respond has varied depending on the nature of the enquiry and the investigative procedures necessary to resolve the complexity of the error. Under the PeopleSoft system the longest amount of time taken between the Department being aware of an employee pay problem and it being rectified is one month, however, the Department endeavours to ensure most problems are fixed within a fortnight.

(4) Urgent payments are made to assist teachers who are experiencing financial difficulty. This is done by issuing a manual cheque or a direct deposit to the employee's bank account. This is made within a maximum period of 48 hours.

STEEP PT, SHARK BAY, CONSTRUCTION OF HOUSE

788. Hon GIZ WATSON to the Minister for Finance representing the Minister for the Environment:

With reference to a house being built at Steep Point, Shark Bay -

(1) Is it the Government's intention to acquire the pastoral lease which includes Steep Point for the purpose of including it into a conservation reserve?

(2) If yes, is the construction of a house at Steep Point appropriate in a future conservation reserve?

Hon MAX EVANS replied:

(1) Yes. The western portion of Carrarang Pastoral Lease, including the Steep Point area, has been identified in the Shark Bay Regional Strategy (1997) as a proposed national park. Negotiations have occurred between the lessees and CALM for the surrender or acquisition of the West Edel Land portion of the lease, but have not concluded.

(2) Currently, and until the pastoral lease is surrendered/acquired by Government or expires in 2015, the appropriateness or otherwise of a house on the Carrarang Pastoral Lease at Steep Point, falls under the statutory responsibilities of the Pastoral Lands Board and as such the question should be directed to the Minister for Lands.

GOVERNMENT DEPARTMENTS AND AGENCIES, PUBLIC RELATIONS-MEDIA CONSULTANTS

803. Hon KEN TRAVERS to the Attorney General representing the Minister for Police:

(1) On how many occasions did each department under the Minister for Police's responsibility use the services of a public relations/media consultancy in 1998 and during the current year?

(2) For each occasion what was the -

(a) nature of the occasion/event/project;
(b) name of the contractor/consultancy; and
(c) cost of the contract/consultancy?

Hon PETER FOSS replied:

(1)-(2) The Member would be aware six monthly reports are tabled in Parliament that provide information on consultants

engaged by Government agencies. The Member should access these reports to obtain information on public relations and media consultancies.

GOVERNMENT DEPARTMENTS AND AGENCIES, PUBLIC RELATIONS-MEDIA CONSULTANTS

804. Hon KEN TRAVERS to the Attorney General representing the Minister for Emergency Services:

(1) On how many occasions did each department under the Minister for Emergency Services' responsibility use the services of a public relations/media consultancy in 1998 and during the current year?

(2) For each occasion what was the -

(a) nature of the occasion/event/project;
(b) name of the contractor/consultancy; and
(c) cost of the contract/consultancy?

Hon PETER FOSS replied:

(1)-(2) The member would be aware six monthly reports are tabled in Parliament that provide information on consultants engaged by Government agencies. The member should access these reports to obtain information on public relations and media consultancies.

GOVERNMENT DEPARTMENTS AND AGENCIES, PUBLIC RELATIONS-MEDIA CONSULTANTS

806. Hon KEN TRAVERS to the Leader of the House representing the Minister for Commerce and Trade:

(1) On how many occasions did each department under the Minister for Commerce and Trade's responsibility use the services of a public relations/media consultancy in 1998 and during the current year?

(2) For each occasion what was the -

(a) nature of the occasion/event/project;
(b) name of the contractor/consultancy; and
(c) cost of the contract/consultancy?

Hon N.F. MOORE replied:

(1)-(2) The member would be aware six monthly reports are tabled in Parliament that provide information on consultants engaged by Government agencies. The member should access these reports to obtain information on public relations and media consultancies.

GOVERNMENT DEPARTMENTS AND AGENCIES, PUBLIC RELATIONS-MEDIA CONSULTANTS

807. Hon KEN TRAVERS to the Leader of the House representing the Minister for Regional Development:

(1) On how many occasions did each department under the Minister for Regional Development's responsibility use the services of a public relations/media consultancy in 1998 and during the current year?

(2) For each occasion what was the -

(a) nature of the occasion/event/project;
(b) name of the contractor/consultancy; and
(c) cost of the contract/consultancy?

Hon N.F. MOORE replied:

(1)-(2) The member would be aware six monthly reports are tabled in Parliament that provide information on consultants engaged by Government agencies. The member should access these reports to obtain information on public relations and media consultancies.

GOVERNMENT DEPARTMENTS AND AGENCIES, PUBLIC RELATIONS-MEDIA CONSULTANTS

808. Hon KEN TRAVERS to the Leader of the House representing the Minister for Small Business:

(1) On how many occasions did each department under the Minister for Small Business' responsibility use the services of a public relations/media consultancy in 1998 and during the current year?

(2) For each occasion what was the -

(a) nature of the occasion/event/project;
(b) name of the contractor/consultancy; and
(c) cost of the contract/consultancy?

Hon N.F. MOORE replied:

(1)-(2) The member would be aware six monthly reports are tabled in Parliament that provide information on consultants engaged by Government agencies. The member should access these reports to obtain information on public relations and media consultancies.

GOVERNMENT DEPARTMENTS AND AGENCIES, PUBLIC RELATIONS-MEDIA CONSULTANTS

810. Hon KEN TRAVERS to the Leader of the House representing the Minister for Energy:

(1) On how many occasions did each department under the Minister for Energy's responsibility use the services of a public relations/media consultancy in 1998 and during the current year?

(2) For each occasion what was the -

(a) nature of the occasion/event/project;
(b) name of the contractor/consultancy; and
(c) cost of the contract/consultancy?

Hon N.F. MOORE replied:

(1)-(2) The member would be aware six monthly reports are tabled in Parliament that provide information on consultants engaged by Government agencies. The member should access these reports to obtain information on public relations and media consultancies.

GOVERNMENT DEPARTMENTS AND AGENCIES, PUBLIC RELATIONS-MEDIA CONSULTANTS

811. Hon KEN TRAVERS to the Leader of the House representing the Minister for Education:

(1) On how many occasions did each department under the Minister for Education's responsibility use the services of a public relations/media consultancy in 1998 and during the current year?

(2) For each occasion what was the -

(a) nature of the occasion/event/project;
(b) name of the contractor/consultancy; and
(c) cost of the contract/consultancy?

Hon N.F. MOORE replied:

(1)-(2) The member would be aware six monthly reports are tabled in Parliament that provide information on consultants engaged by Government agencies. The member should access these reports to obtain information on public relations and media consultancies.

SCHOOLS, LEASING OF PLAYING FIELDS

836. Hon BOB THOMAS to the Leader of the House representing the Minister for Education:

(1) Would the Education Department support a decision by a school principal to lease a part of his school's grassed playing area to an adjacent shopping centre for use as a temporary car park?

(2) If yes, why?

(3) If not, why not?

Hon N.F. MOORE replied:

(1)-(3) Decisions such as this are the responsibility of individual principals. However, it would be expected that the decision would be taken after consideration of the likely impact of the arrangement on the school's operations, and after consultation with the school community.

HEMP TRIALS

855. Hon MARK NEVILL to the Minister for Transport representing the Minister for Primary Industry:

(1) What has been the results of hemp trials in Western Australia to date?

(2) Does hemp require good quality soils to grow successfully and does this crop compete for good quality horticultural land?

(3) Does hemp require irrigation to produce a viable crop?

(4) Has the real cost of irrigation been included in the cost of production calculations?

(5) As a shallow rooted crop, is hemp suitable for lowering water tables to ameliorate salinity?

(6) Is paper made from hemp more expensive than paper made from wood chip?

(7) Why is the Minister for Primary Industry "encouraged by the potential of hemp to be used in paper making, taking pressure off the State's native forests" as quoted in the *West Australian* of October 21 1999?

Hon M.J. CRIDDLE replied:

(1) In May 1997 a report titled "Industrial Hemp Agronomic Trials Western Australia" was prepared and I now table that report for the information of the Honourable Member.

(2) Yes. Hemp does require good quality soils to grow successfully and is offered for consideration as an alternative agricultural crop.

(3) In southern areas and with present European varieties, yes. It is anticipated that with varieties suited to the Mediterranean climate, it may be possible to grow hemp as a summer crop.

(4) Insufficient hard data is available to determine an accurate cost of production.

(5) The level of trial work conducted to date is insufficient to determine the impact on ground water tables.

(6) Yes, because it goes into premium grade paper.

(7) Hemp is an annual crop whereas tree crops require land for a longer period of time. With the right technology, there is the opportunity to use hemp as a summer crop over a wide area outside of the tree belt, and produce over a comparable time, more fibre than woodchips.

[See paper No 472.]

HEMP TRIALS

856. Hon MARK NEVILL to the Minister for Transport representing the Minister for Primary Industry:

Will the Minister for Primary Industry table the results of hemp trials in Western Australia with reference to -

(a) yields of hemp per hectare;

(b) costs of production per tonne of hemp (including costs of irrigation); and

(c) costs per tonne of produced fibre compared to wood chip obtained from trees?

Hon M.J. CRIDDLE replied:

(a) I refer the Hon Member to my answer to Question on Notice number 855 (1).

(b)-(c) Insufficient hard data is available to determine an accurate cost of production and industry profitability. In 1995, the Ministerial Review Committee prepared a report into "The Prospects for a Hemp Industry in Western Australia" however, the trial program only looked at the testing of a range of available hemp varieties under Western Australian conditions and not an in depth examination of costs of production.

[See paper No 473.]

TERTIARY EDUCATION, YEAR 2000 COMPLIANCE

890. Hon E.R.J. DERMER to the Leader of the House representing the Minister for Education:

I refer to the Auditor General's report on the Western Australian Public Tertiary Education Sector 1998 Annual Reporting Cycle (report No 5 June 1999). This report included the following recommendations -

> "It is recommended the universities, colleges and the West Australian Department of Training continue to afford a high priority to addressing Year 2000 risk and aim for achieving compliance well in advance of December 1999 to allow for potential resourcing or other problems. Contingency plans for key services should be developed as soon as possible."

(1) With respect to the universities, will the Minister for Education confirm that Year 2000 compliance has been achieved?

(2) If such compliance has not been achieved, by what date will it be achieved?

(3) What has impeded the achievement of this compliance?

(4) Have contingency plans been developed for key services?

(5) If contingency plans have not yet been developed, why not?

(6) By what date is it anticipated that these contingency plans will be developed?

Hon N.F. MOORE replied:

I am advised that:

(1) Not all universities have completed Year 2000 compliance yet.

(2) All universities expect to complete compliance by the end of November 1999.

(3) Universities are working to agreed timetables for compliance.

(4) Universities have completed contingency plans for key services or will have completed plans by the end of November 1999.

(5) Not applicable.

(6) Outstanding contingency plans will have been addressed by the end of November 1999.

SCHOOLS, RETENTION RATES FOR YEARS 11 AND 12

907. Hon BOB THOMAS to the Leader of the House representing the Minister for Education:

(1) What is the retention rate for Year 11 students for each of the following schools -

(a) Albany Senior High School;
(b) North Albany Senior High School;
(c) Manjimup Senior High School;
(d) Newton Moore Senior High School;
(e) Australind Senior High School; and
(f) Bunbury Senior High School?

(2) What is the retention rate for Year 12 students at each of the above schools?

Hon N.F. MOORE replied:

(1)-(2)

School	Year 11 Apparent Retention Rate	Year 12 Apparent Retention Rate
(a) Albany Senior High School	109.0	78.9
(b) North Albany Senior High School	79.9	63.4
(c) Manjimup Senior High School	149.4	105.3
(d) Newton Moore Senior High School	65.8	47.1
(e) Australind Senior High School	77.5	57.9
(f) Bunbury Senior High School	91.6	62.2

Note: Apparent retention rates are as 2nd semester 1999.
The apparent retention rates do not take into account a range of factors, including students changing schools and students from high and district high schools continuing their Year 11 and 12 studies at senior high schools.

ALINTAGAS, CONTESTABLE CONTRACTS LOST

910. Hon MARK NEVILL to the Leader of the House representing the Minister for Energy:

(1) How many contestable contracts to supply gas has AlintaGas lost in -

(a) 1998/99 and since; and
(b) July 1 1999?

(2) What was the approximate average quantity of gas delivered daily to each of the 20 biggest customers lost by AlintaGas since July 1 1998?

Hon N.F. MOORE replied:

(1) (a) In 1998/99 AlintaGas lost five contracts.
(b) Since 1 July 1999 AlintaGas has lost three contracts.

(2) 4.7TJ per day average for the eight customers not supplied.

STATE RECORDS BILL

944. Hon TOM STEPHENS to the Minister for the Arts:

(1) When will the Minister introduce into this House, the *State Records Bill*?

(2) Is the Minister planning any changes to the draft Bill, particularly regarding the establishment of a separate, independent State Records bureaucracy?

Hon PETER FOSS replied:

(1) The *State Records Bill 1999* and the *State Records (Consequential Provisions) Bill 1999* were second read in the Legislative Assembly on November 24 1999. As the legislation involves the appropriation of funding, it is necessary to introduce the Bills into the Legislative Assembly.

(2) Changes have been made which will add to the strength of the proposed State Records Commission. Members of the independent Commission will now include the State Ombudsman, the Information Commissioner and the Auditor General. The fourth member of the Commission will be a person with record keeping experience from outside government. This new composition will ensure the absolute independence of the Commission and will maximise its effectiveness.

The Government has also accepted a number of amendments proposed by the Hon Phillip Pendal, and these have been incorporated into the new Bills. These include the need to provide for electronic scanning of documents,

allowing for community input if an archive is to be destroyed, establishing standards to cover the outsourcing of record keeping functions, and the necessity for the Director of State Records to report any breach or suspected breach to the State Records Commission. Arrangements have also been made to ensure that the parliamentary records will be subject to a similarly transparent and accountable process as for Government records.

The legislation does not establish a separate, independent State Records bureaucracy. Not only is this likely to lead to another group who cannot be forced to be efficient, but it is also bad in theory as the bureaucracy would supervise its own work. It would be as if the financial activities of Treasury were performed by the Auditor General. The model proposed in the legislation ensures that there is no need of an additional bureaucracy to be created, other than a basic secretarial support structure for the work of the independent Commission.

QUESTIONS WITHOUT NOTICE

McLEOD, MR NEIL, YARDIE CREEK TOURS

649. Hon TOM STEPHENS to the Minister for Tourism:

I refer again to the question I asked yesterday in reference to Neil McLeod's Ningaloo Safari Tours for the Yardie Creek area, the brochure of which I have here that has been promoting tourism in the region.

(1) What steps has the minister taken to seek from the Minister for the Environment the protection of Mr McLeod's interests in this tourism project?

(2) Has the minister yet been told that the Minister for the Environment has made a final decision on this proposal that would exclude Mr McLeod from utilising Yardie Creek and the boat cruises that he has been operating for some years?

(3) Does the minister now concede as well that his claims yesterday were wrong in suggesting that in 1989 the Labor Government successfully produced a monopoly on that creek, whereas three licences have effectively been in operation since Labor Administrations and the first effective monopoly will come into place only if the Minister for the Environment gets away with this decision that apparently will come into effect on 1 December unless something is done about it?

Hon N.F. MOORE replied:

(1)-(3) In respect of the last part of the question, my long-held understanding of the original licence for Yardi Creek was that it was provided as a 10-year licence and issued to one operator. I have not been given any information to indicate that that is not the case. I am also aware, as I said yesterday, that subsequent to that decision being made and that one licence being issued, two other licences were then issued. One was to Mr McCleod for two journeys a day or something to that effect.

The member asks what I have done. I have met with Mr McCleod and his wife, I have met with their lawyers, I have met with their advisers, and I have met with his sister. At the same meeting which the Minister for the Environment was unable to attend, her office was represented by at least two staff members and a person from the Department of Conservation and Land Management who advises the minister, as well as a person from the Premier's office. That meeting was held, a range of notes and advice was received by me and the other people representing the Minister for the Environment, and my understanding was that the matter would be discussed with the minister, who would then advise me what she would do. I have yet to be advised by the Minister for the Environment whether she will take any different action from that which has been taken so far. The member is telling me today, by way of his question, that a decision has been made. If that is the case that is news to me and I will discuss it with the minister as soon as I have the opportunity.

DERBY TIDAL POWER PROJECT, FUNDS FOR STUDY

650. Hon TOM STEPHENS to the minister representing the Premier:

I refer to the proposal of the Prime Minister to seek a joint commonwealth-state funded tidal power study on proposals to use tidal power to supply electricity in the west Kimberly.

(1) Will the State Government allocate funds to such a study; and, if so, what contribution will it make to fund this expert assessment of the Derby tidal power project?

(2) If this study finds that the tidal power proposal is viable, will the State Government act on the assessment and select tidal power as the preferred option?

(3) In view of yesterday's development and the clear interest of the Federal Government in this project, will the State Government now join with the Derby-West Kimberly Shire Council and the tidal power proponents in an appeal to the Federal Government to seek federal funds for this project; and, if not, why not?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1)-(3) The Government is expecting a letter from the Prime Minister regarding Derby tidal power. When the letter is received, the Government will then be in a position to consider the matter.

ATTORNEY GENERAL, POLICY ON PUBLIC SERVANTS COMPLYING WITH COMMITTEE REQUESTS

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

(1) Has the Attorney General requested the development of a policy to prevent public servants from complying with requests from committees of the Parliament?

(2) Did the Attorney General receive advice that this would contravene the Parliamentary Privileges Act?

(3) Notwithstanding that advice, is the Attorney General proceeding with the development of such a policy?

Hon PETER FOSS replied:

(1) No.

(2)-(3) Not applicable.

BENZENE, TOLUENE AND XYLENES

652. Hon J.A. SCOTT to the minister representing the Minister for Health:

(1) Further to question 349 of 20 October 1999, what are the effects of benzene, toluene and xylenes on human health?

(2) What are the maximum permissible 24-hour limits for these substances in the air in Australia, Europe and the United States of America?

(3) How do these maximum permissible levels compare with the values found in Perth during the recent air toxics study?

Hon MAX EVANS replied:

I thank the member for some notice of this question and ask that it be placed on notice.

SCHOOLS FOR INDIGENOUS CHILDREN

653. Hon RAY HALLIGAN to the minister representing the Minister for Education:

(1) Has the Education Department established, or is it expecting to establish, any select schools within the metropolitan area solely focused on the education of indigenous children?

(2) If so, where are they and what is their current or planned enrolment?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1)-(2) Yes. The Minister for Education has announced that the Education Department will establish an Aboriginal school to address the needs of indigenous students. Although the school will have an Aboriginal focus, it will enrol both Aboriginal and non-Aboriginal students. The school is to be established in Midland and will open in 2001 offering kindergarten to year 3 classes. It will expand gradually to year 10, when a decision will be made whether to expand to years 11 and 12. Construction of the school is due to commence around March next year, with designs and master planning already well developed. Initial enrolment is expected to be between 150 and 200 students, with an enrolment of over 800 students when completed. The Government also currently provides recurrent funding for three non-government schools in the metropolitan area that cater for indigenous children: Gnangara, Clontarf Aboriginal College in Waterford, and Culunga Aboriginal community College in West Swan.

METROPOLITAN PASSENGER RAIL TRANSPORT SYSTEM, SALE

654. Hon JOHN HALDEN to the Minister for Transport:

(1) Has Transperth or the Department of Transport contracted out, tendered or sought the opinion of any organisation or individual as to options available for the sale of the metropolitan passenger rail transport system?

(2) If so, from whom?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

(1) No.

(2) Not applicable.

SCARBOROUGH SENIOR HIGH SCHOOL, DEMOLITION

655. Hon E.R.J. DERMER to the Leader of the House representing the Minister for Education:

(1) Has a decision been made to demolish the Scarborough Senior High School buildings?

(2) If yes, when was the decision made?

(3) When is it anticipated that the demolition will proceed?

(4) Which Scarborough Senior High School buildings will be included in this demolition?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) Yes.

(2) The decision to demolish the majority of the facilities was made following the Minister for Education's 1998 announcement that the school was to close. This followed an extensive local area education planning consultation process. It was originally intended to retain some facilities on the site for community use. However, following further discussions between the Education Department and the City of Stirling, it was agreed that the community would benefit more from an allocation of $1.3m to be used by the council for alternative sporting facilities. Therefore, the Minister for Education agreed to such an allocation from the proceeds of the sale of the site. It is understood that the Stirling City Council intends to add to this allocation to fund a new sports facility in the area. Alternative locations are now being examined by the city and one possible location is the site of the old Newborough Junior Primary School, which is adjacent to Scarborough Senior High School.

(3) Demolition is expected to proceed shortly after students and teachers have vacated the site at the end of this year. The school will close at the end of this year and if left vacant is likely to be subject to vandalism.

(4) All buildings on the Scarborough Senior High School site will be demolished together with the old Newborough Junior Primary School buildings at the corner of Jackson Avenue and Wilding Street.

ROAD CLOSURES, EAST PILBARA

656. Hon GIZ WATSON to the Minister for Transport:

Regarding road closures in the East Pilbara -

(1) Will the minister identify which roads were closed to heavy traffic between 18 and 28 October 1999?

(2) Why were these roads closed and for what duration were they closed?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

(1) Main Roads Western Australia did not close any roads in the East Pilbara to heavy traffic between 18 and 28 October 1999. The department is also not aware of any local government roads in East Pilbara which were closed to heavy traffic over that period.

(2) Not applicable.

FINES ENFORCEMENT REGISTRY

657. Hon KIM CHANCE to the Attorney General:

(1) Is the Attorney General aware of the difficulties being experienced by bailiffs in country courts in having orders processed through the Fines Enforcement Registry?

(2) It is correct that delays of over three months are common?

(3) When asked, has the Fines Enforcement Registry told country bailiffs -

Hon Peter Foss: Magistrates?

Hon KIM CHANCE: Bailiffs.

Hon Peter Foss: Enforcing?

Hon KIM CHANCE: The bailiffs must deal with the result of the Fines Enforcement Registry not processing the orders.

Hon Peter Foss: Bailiffs?

Hon KIM CHANCE: Yes.

Hon Peter Foss: Bailiffs are civil.

Hon KIM CHANCE: Would it be sheriffs or bailiffs?

Hon N.D. Griffiths: Bailiffs.

Hon KIM CHANCE: My adviser assures me it is bailiffs. To finish the question -

Has the Fines Enforcement Registry told country bailiffs that it does not have sufficient staff to process the orders?

Hon PETER FOSS replied:

(1)-(3) I am somewhat puzzled by the question because, generally speaking, bailiffs are involved in civil collections and the Fines Enforcement Registry deals with criminal collections.

I can tell the House the reverse. We had a problem with the execution of warrants under the Fines Enforcement Act because we were doing them through bailiffs. We have now placed the enforcement of warrants with private collection agencies and have not only reduced the waiting time but also we will run out of warrants to collect. The private agencies have been so effective in collecting warrants that we have caught up any backlog, are right up to date and have reduced the number of work and development orders and the number of warrants of commitment.

Hon Kim Chance: So there are no delays in the registry?

Hon PETER FOSS: I do not understand the question so I am answering another one. I find the question puzzling because to avoid the delays in using bailiffs, the Government has given the enforcement of warrants to private collection agencies with a stunning result in that we have gotten rid of the backlog and reduced our WDOs and warrants of commitment. The move has been so effective that we do not have enough warrants to justify the sort of collection we have been doing.

I will investigate the matter but I find the question puzzling because, as the member would understand, fines are not civil matters. The Government had been using bailiffs to help with warrants of execution but gave up on that because the bailiffs were not sufficiently effective. I ask for that question to be put on notice. The idea of bailiffs trying to enforce things through the Fines Enforcement Registry rather than the Fines Enforcement Registry trying to enforce orders through the bailiffs is puzzling.

PREMIER, KALGOORLIE VISIT

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

I refer to the Premier's visit to Kalgoorlie last Friday to open an automotive parts business jointly owned by the president of the local Liberal Party branch.

(1) Who accompanied the Premier on his visit?

(2) Did the Premier travel by commercial flight or charter?

(3) What was the total cost to taxpayers of the Premier's visit?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1)-(3) The Premier takes a special interest in regional Western Australia and in particular small businesses which strive to provide quality services to country Western Australia. He has undertaken numerous trips all over Western Australia to attend many openings, from opening goldmines to opening small businesses.

Hon Ken Travers: How many were Liberal Party members?

The PRESIDENT: Order! The member asked the question and is entitled to an answer but the answer must be able to be heard.

Hon N.F. MOORE: The Premier travelled to Kalgoorlie to open a new automotive parts superstore. On the same day the Premier also opened the factory and premises of Jensen Jarrah in Busselton, an employer of some 85 people.

I would like members to know that while the Premier was in regional Western Australia last Friday, the Leader of the Opposition was in Sydney attending a five-star function at the Darling Harbour Banquet Hall. It was a function at which 1 200 people from the business community and the ranks of the true believers paid $200 a head to meet the Labor Party's "21st century leadership team". Everyone who is anyone in the Australian Labor Party around the country was in attendance, including the Leader of the Opposition, Bob Hawke, Gough Whitlam and Wayne Goss. I do not know whether the Leader of the Opposition used his imprest account to attend this function; maybe the Opposition would like to ask a question about that.

Several members interjected.

Hon N.F. MOORE: The Premier quite properly agreed to open a business in Kalgoorlie which is employing people. I thought the Opposition would be pleased about that. At the same time the Premier was doing that, the Opposition's leader was swanning around in Sydney with the business community at a glittering function in the Darling Harbour Banquet Hall. Members opposite should understand that leaders of political parties have a variety of things to do and on this occasion the Premier was in regional Western Australia while the Leader of the Opposition was in Sydney.

The Premier was accompanied by one staff member from his office and travelled on the government charter aircraft.

COUNTRY LIFE HOMES, ADMINISTRATOR

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

I refer to the appointment of an administrator to Country Life Homes.

(1) How was Country Life Homes selected by Homeswest to rebuild housing in Exmouth?

(2) What steps has Homeswest taken, or is taking, to find an alternative builder and what delay if any is expected as a result of the company being placed in administration?

(3) Will the minister table a list of the government contracts the company has? If not, why not?

(4) What assistance is available to local businesses in Exmouth and elsewhere to compensate for the severe financial implications of this?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) The contract for the construction of 10 townhouses on lot 812 Sargent Street, Exmouth was awarded to Tubirds Pty Ltd, trading as Alf Fernihough Builders, on 30 June 1999 following a correct and appropriate public tender process. Country Life Homes is a related firm. Alf Fernihough was the second lowest tenderer and the lowest tenderer withdrew. The tender price was within allowable project estimates and from information provided it was considered that Alf Fernihough Builders would have sufficient physical and financial resources to carry out the project.

(2),(4) The minister is very concerned that the financial difficulties of this firm have caused problems for suppliers and subcontractors. However, government policy dictates that the situation be managed under the terms of the contract.

The administrator has acknowledged that the builder is unable to complete the project. The Ministry of Housing has taken possession of the site pursuant to the contract and has cancelled the building contract as of 25 November 1999. A senior Ministry of Housing official will be visiting Exmouth on Tuesday, 30 November 1999 to meet the local member and subcontractors. The ministry's preferred option is to re-tender the project with all tenderers providing two alternative prices, being one price with no nominated subcontractors and suppliers and one price with the nominated subcontractors of the existing contract and suppliers. The ministry's preference is to award the tender to the lowest tenderer with nominated subcontractors and suppliers subject to that tender price being reasonable. All tenderers must meet all other tender requirements and they must submit the two alternative tenders to be considered. The re-advertisement will occur as soon as possible to minimise the impact on the subcontractors.

(3) Alf Fernihough Builders has only the one contract with the Ministry of Housing.

TAFE STUDENTS, NON-AUSTRALIAN RESIDENTS

660. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Employment and Training:

(1) How many students currently studying in technical and further education are not Australian residents as defined in section 15A(4) of the Vocational Education and Training Regulations 1996?

(2) What is the cost to TAFE of these students?

(3) What systems does TAFE have in place to ensure that people who are not Australian residents do not have access to TAFE courses?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) Currently, TAFE International has 793 students studying award courses, certificate and diploma courses, and 264 students studying English language intensive courses for overseas students.

(2) These students are full fee paying students. Award courses cost between $7 700 and $9 900 per year, and ELICOS courses cost $240 per week of study, thus costing $2 400 for a 10-week term. The cost of services provided to international students is covered by the fees paid by international students and the cost to TAFE is nil.

(3) Applicants who identify themselves as non-Australian residents or temporary visa holders are referred to TAFE International to enrol as overseas students. Admission to full-time TAFE studies requires all applicants to state on the application form their citizenship and residency status. Applicants who are unable to substantiate their citizenship or permanent residency are then referred to TAFE International to enrol as full fee paying students. Following the recent fees and charges policy amendment to treat provisional visa holders as Australian residents for fee charging purposes, the department is looking into the possibility of having a question regarding country of residence and visa status included on the part-time enrolment form.

REGIONAL FOREST AGREEMENT, SCIENTISTS

661. Hon CHRISTINE SHARP to the minister representing the Minister for the Environment:

In relation to the list of 220 scientists tabled by the minister who participated in the Regional Forest Agreement, how many of the 200 scientists named actually work for the Department of Conservation and Land Management?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

There are 89 scientists and experts; three of these staff left CALM prior to the completion of the RFA and one has left the department since it was signed.

GOVERNMENT VEHICLES, LPG TRIAL

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

Further to my question without notice of 9 November in regard to the Government's two-year liquefied petroleum gas trial for the light vehicle fleet -

(1) How many vehicles are now involved in the trial?

(2) Does the Government remain committed to the promise of 5 April 1998 that 300 vehicles will be involved in the trial?

(3) When is this target of 300 vehicles expected to be reached?

(4) What is the lowest contract price at which government agencies can currently purchase LPG fuel?

Hon MAX EVANS replied:

I suggest that the member put the question on notice.

PROSTITUTION, JUVENILES

663. Hon CHERYL DAVENPORT to the minister representing the Minister for Family and Children's Services:

(1) What programs have been put in place in 1999 to tackle the incidence of child prostitution on the streets of Perth and when were they put in place?

(2) What new programs are proposed and when is it proposed that they will be put in place?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

(1)-(2) The Minister for Police has responsibility for issues of prostitution related to law enforcement. Family and Children's Services relies on police to refer to them any young person aged under 18 years who is identified to be working as a prostitute. Family and Children's Services officers act on every report of children working as prostitutes. A wide range of government and non-government agencies in the inner city and Northbridge area have a responsibility to work together to provide the appropriate response when children are found in such a circumstance.

During 1999 an inner city youth partnership for the coordination of service delivery was established between key agencies including Family and Children's Services, the Police Service and non-government agencies working with at-risk young people aged 18 years and under and frequenting the inner city area.

The WA Substance Users Association operates a health service and treatment referral service in Northbridge. These services in combination with WASUA's outreach work reach a number of women involved in the sex industry, including very young women. In addition, the State Government also provides $252 400 per year funding to Anglicare for the step 1 stepping out streetwork program. The service provides a streetwork program and a mobile youth resource centre targeting at-risk young people mainly between the ages of 12 and 18 who frequent or reside in the inner city area. A welfare response on its own will not, however, solve the problem.

Since 1991 the Government no longer has the ability to detain young people against their will on the basis of welfare concerns. Taking out a care and protection order before the Children's Court does not enable Family and Children's Services to physically detain a child in a foster placement against his or her will. In these difficult and extreme cases, when seeking to provide care and protection to a young person at risk, the inability to detain the child is a major part of the problem.

As part of the Government's second together against drugs strategy to be released on Thursday, the Government will conduct a feasibility study and broad community consultation on a model of intensive support and family or government initiated referral of young people at extreme risk of self-harm into compulsory treatment for their drug addiction. Our overall policy position on this is that we want to more effectively engage into treatment young people at risk who have a drug addiction problem that causes them to lead a self-harming lifestyle.

YARDIE CREEK GORGE, BOAT TOUR LICENCE

664. Hon TOM STEPHENS to the minister representing the Minister for the Environment:

In relation to the decision by the Department of Conservation and Land Management to award only one licence to a boat tour operator at Yardie Creek Gorge -

(1) Has the Minister for the Environment received any correspondence from the Minister for Tourism outlining concerns regarding this issue?

(2) Has the minister discussed the issues of concern with the Minister for Tourism?

(3) If yes, what issues did the Minister for Tourism raise with her?

(4) Will the minister review her decision; and, if yes, when?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

The Executive Director of the Department of Conservation and Land Management issues commercial activities licences in accordance with section 101 of the Conservation and Land Management Act 1984. The National Parks and Nature Conservation Authority is the vesting authority for national parks in Western Australia. The executive director of CALM can only issue a commercial activity licence with the approval of the NPNCA and the Minister for the Environment in accordance with section 99 of the Conservation and Land Management Act 1984. The licence will be issued in accordance with the request made by the NPNCA and approved by the Minister for the Environment.

(1) No.

(2) The minister has had discussions with the Minister for Tourism and has kept him advised throughout the process of the review undertaken by the NPNCA of the commercial operations on Yardie Creek and the publicly advertised expression of interest process. The Minister for Tourism was provided with briefings by members of the minister's staff and CALM officers.

(3) During the development of the expressions of interest guidelines, the Minister for Tourism suggested that consideration be given to the possibility of allowing for more than one licence being issued.

(4) No.

WESTRAIL, LEIGHTON SHORE CONSORTIUM AGREEMENT

665. Hon BOB THOMAS to the Minister for Transport:

On 17 November, last Wednesday, the minister advised this House that the agreement between Westrail and Leighton Shore Consortium would be finalised tomorrow, 26 November, but the consultation period does not close until 29 November, next Monday. How does the minister justify this agreement being finalised before the consultation period is completed?

Hon M.J. CRIDDLE replied:

I understand it will conclude on 29 November.

MINISTER FOR ABORIGINAL AFFAIRS, DELEGATION OF POWERS

666. Hon HELEN HODGSON to the minister representing the Minister for Aboriginal Affairs:

(1) Has the minister delegated any of his powers under section 13 of the Aboriginal Heritage Act to any officer of the Aboriginal Affairs Department?

(2) If so, what powers have been delegated?

(3) To whom have these powers been delegated?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

(1) No.

(2)-(3) Not applicable.

DEPARTMENT OF CONSERVATION AND LAND MANAGEMENT, YARDIE GORGE

667. Hon TOM STEPHENS to the minister representing the Minister for the Environment:

(1) Did the Department of Conservation and Land Management engage in a consultation process as part of its decision to award an access licence to Yardie Creek Gorge?

(2) If so, will the minister table a list of those who were consulted to assist CALM in its decision?

(3) Will the minister table submissions received from the parties with whom CALM consulted; and, if not, why not?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) Yes.

(2) The Department of Conservation and Land Management consulted with the following agency representatives and operators: Western Australian Tourism Commission, Mr Terry McVeigh; Gascoyne Tourism Association, Mr Lance Hardy; Exmouth Tourist Bureau, Mr Bruce Oatley; Neil and Coralie McLeod; Neil and Rhonda McGregor; Exmouth Department of Transport, Mr Allen Shields; and the Office of the Minister for Tourism.

(3) No. The consultation was undertaken on a face-to-face basis, and written submissions to the expression of interest process contained commercially confidential information. The Minister for the Environment has advised that each applicant indicated that a sole licence for boat tours on Yardie Creek was required if they were to be a viable and sustainable seven days a week, year-round operation, in accordance with the requirements of the National Parks and Nature Conservation Authority.

LIQUEFIED PETROLEUM GAS FUEL TRIAL, GOVERNMENT VEHICLES

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

I refer to the liquefied petroleum gas fuel trial for 300 government vehicles, announced on 5 April 1998.

(1) Given the failure to reach the figure of 300 vehicles at an early stage of the trial, will the Government commit to extending the trial beyond its two-year period?

(2) Will the minister table the preliminary results from this trial?

(3) For the department of works -

(a) how many vehicles are operated by the department; and

(b) of these, how many are LPG or dual-fuel powered?

(4) Has the minister and the department of works received full cooperation from other departments for the implementation of this trial?

Hon MAX EVANS replied:

I thank the member for some notice of this question. Providing the information in the time required is not possible and I request that the member place the question on notice.

NORTHBRIDGE TUNNEL, EMERGENCY EXITS

669. Hon KEN TRAVERS to the Minister for Transport:

(1) Does the Northbridge tunnel have unhindered access to emergency exits for people with disabilities?

(2) What arrangements are there within emergency exits to enable people with disabilities to escape?

(3) What action is the minister taking to rectify these problems?

(4) Will the Northbridge tunnel, when completed, fully comply with the provisions of the Disability Discrimination Act?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

(1)-(2) Overseas research shows that in the event of an accident in a tunnel, motorists are reluctant to abandon their vehicles. However, they are prepared to modify their actions when receiving instructions from the appropriate authority. The evacuation of the tunnel is therefore likely to occur only following the arrival of emergency authorities. In this case, motorists would normally be directed along a breakdown lane to exit the tunnel portal. There is no impediment to people with disabilities to exit the tunnel in this way. In a scenario in which there are multiple events or a large-scale incident, evacuees may be directed to the escape corridor. People with disabilities will need assistance to exit via the escape corridor. This is a similar situation to the evacuation of a multistorey building when people are required to evacuate via the stairs.

(3) Not applicable.

(4) Yes.

ANTI-CORRUPTION COMMISSION, ANNUAL REPORT

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

(1) Was an annual report of the Anti-Corruption Commission for 1998-99 submitted to the Premier on or before 31 August 1999 as required by section 62 of the Financial Administration and Audit Act?

(2) When was it provided to the Auditor General?

(3) Does he recall that the ACC's 1997-98 annual report was tabled in the Legislative Council on 28 October 1998 with the Auditor General's audit opinion being dated 8 October 1998?

(4) Why is it that, as at 24 November 1999, the ACC's 1998-99 annual report had not been tabled in the Legislative Council?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) Yes.

(2) 30 August 1999.

(3)-(4) In accordance with section 69 of the Financial Administration and Audit Act, the annual report and the opinion of the Auditor General shall be laid before both Houses of Parliament within 21 days of receiving the Auditor General's opinion. The Auditor General's opinion is dated 5 November 1999.

ROAD SURVEY, WOODIE WOODIE MINE EXTENSION

671. Hon TOM STEPHENS to the Minister for Transport:

I refer to the minister's advice that last year a preliminary survey had been undertaken for the extension of the road beyond Woodie Woodie mine between Telfer and Kintyre.

(1) Why was the survey undertaken?

(2) When was it undertaken?

(3) What was the cost of the survey?

(4) What work has been done on the proposal subsequent to the preliminary survey?

Hon M.J. CRIDDLE replied:

(1) It was part of a review of transport needs for mining, tourism and access to remote communities.

(2) Late 1996.

(3) Approximately $70 000.

(4) None.

PUBLIC ACCOUNTS COMMITTEE, REPORT ON ROLE OF GOVERNMENT IN AN ONLINE ENVIRONMENT

672. Hon E.R.J. DERMER to the Leader of the House representing the Minister for Commerce and Trade:

I refer to the Legislative Assembly Public Accounts Committee's report on the role of government in an online environment which expresses concern at the delays and bureaucratic conflict over ownership of initiatives such as telehealth and finds these delays and conflict indicative of the ineffective response of the Government to getting government services online.

(1) Does the Minister for Commerce and Trade share this concern?

(2) What action will the minister take to resolve such conflicts and overcome such delays?

(3) Will the minister assure the House that such conflicts and delays will not jeopardise access to the regional telecommunications infrastructure fund's $8m contribution to the Western Australian Health Department's telehealth initiative?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

(1) No. The Health Department's application to the Commonwealth Government for a regional telecommunications infrastructure fund grant was titled "Telecommunications Network Infrastructure for Multipurpose Community and Telehealth Needs", which covered 20 towns. The Health Department of Western Australia and the Department of Commerce and Trade subsequently agreed on a structural change in which the Health Department focused on the statewide telecommunications enhancement program, which delivers benefits to all country towns, not just the 20 telehealth pilot towns.

(2) Not applicable.

(3) As the combined result of the revised telehealth project and STEP is an improved outcome on the original concept, there is no reason to believe that the commonwealth RTIF contribution would be in jeopardy. The minister is confident that the Health Department of Western Australia, as the recipient of the grant, will obtain the agreement of the Networking the Nation board to the revised sources and application of funds.
