



WESTERN AUSTRALIA

# **Parliamentary Debates**

**(HANSARD)**

THIRTY-FIFTH PARLIAMENT  
FIRST SESSION  
1997

LEGISLATIVE ASSEMBLY

Thursday, 8 May 1997

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**THE SPEAKER** (Mr Strickland) took the Chair at 10.00 am, and read prayers.

### **PETITION - CLOSURE OF TAYLOR ROAD RESERVE**

**MR BARRON-SULLIVAN** (Mitchell) [10.05 am]: I present the following petition -

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled.

We, the undersigned, strongly object to:

- . the closure of Taylor Road reserve and associated land exchanges at Pelican Point in the City of Bunbury caused by the proposed Pelican Point sub-division and canal development at the mouth of the Collie River.
- . this action by the City of Bunbury which will lead to the loss of a valuable recreation reserve, an important plant and wildlife habitat, and a unique part of Bunbury's pioneering history.
- . We also believe that the City of Bunbury's actions in initiating this road closure is not in accord with the provisions of the Local Government Act.
- . We ask that the road and reserves remain open and accessible to the general public forever.

Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

The petition bears 1 745 signatures and I certify that it conforms to the standing orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 27.]

### **REGIONAL DEVELOPMENT COMMISSIONS AMENDMENT BILL**

#### *Second Reading*

**MR COWAN** (Merredin - Minister for Regional Development) [10.07 am]: I move -

That the Bill be now read a second time.

The Regional Development Commissions Act 1993 was the most significant legislation enacted in providing a framework for regional development in Western Australia and is the cornerstone of the Government's regional development program. Its underlying principles are partnership between government and the people of the regions in formulating and progressing regional initiatives.

Early in the operation of the 1993 Act, the Government recognised the important contribution that local government peak bodies could make and invited representatives of the Western Australian Municipal Association to attend Regional Development Council meetings. Since the establishment of the regional development commissions, a number of improvements to the legislation have been suggested by local government and the regional development commission boards, and these amendments take into account suggested improvements.

The amendments contained in this Bill reflect the Government's determination to enhance the effectiveness and representativeness of the regional development commissions, by amending the 1993 Act's provisions in relation to the composition of the boards and the length of tenure of board members.

The local government category of board membership will be modified by this Bill to ensure that local government representatives on regional development commission boards are elected local government councillors. This was the intention of the 1993 Act. The amendment is necessary to prevent any repetition of a situation that has already been encountered. A board member who was appointed in the local government category in April 1994 for a three year term, ceased to be an elected local government councillor the following month at the May 1994 local government election. This person completed his term as an unelected representative.

It has been the Government's preference that local government representatives on all regional development commission boards be sitting councillors. The amendment will allow members to be removed from boards if they

were appointed under the local government category and subsequently cease to be elected local government representatives.

This Bill seeks to amend section 34 of the Regional Development Act 1993 to afford full membership of the Regional Development Council to two local government representatives. This fulfils the 1996 coalition regional development policy commitment to formalise local government representation on the Regional Development Council and significantly upgrades local government's previous observer role in that forum. This proposed amendment is designed to cement the partnership between local government, the regional development commissions and the State Government in regional development in Western Australia.

Under schedule 2 part 1 of the 1993 Act, board members are limited to serving a maximum of two consecutive terms. My practice in making appointments has been to stagger terms from one to three years to ensure continuity on the boards. This can result in board members being ineligible for reappointment after two terms, which might amount to a total of only two years. This can result in the loss to the regional development commission boards of appropriate skills, knowledge and expertise. However, the proposed amendment is not open ended; it will allow board members to be appointed for more than two consecutive terms, as long as those consecutive terms do not exceed a total of six years.

The amendments to the Regional Development Commission Act 1993 introduced in this Bill will enhance the workability of the 1993 Act and the ability of the regional development commission boards and the Regional Development Council to work effectively to develop Western Australia's regions. This will in turn ensure that Western Australia's position as Australia's leader in the pursuit of regional development is maintained through productive partnerships that recognise and utilise the abilities of regional Western Australians.

Debate adjourned, on motion by Mr Cunningham.

## **HUMAN TISSUE AND TRANSPLANT AMENDMENT BILL**

### *Second Reading*

**MR PRINCE** (Albany - Minister for Health) [10.10 am]: I move -

That the Bill be now read a second time.

The primary purpose of this Bill is to address concerns expressed by the public over the use of certain provisions of the Human Tissue and Transplant Act 1982 for removing tissue in circumstances in which there may have been doubts as to whether the consents required by the Act were obtained or given in accordance with the Act. The other amendments are minor and update the Act following amendments to the Hospitals and Health Services Act 1927 and the enactment of the new Coroners Act 1996. Donations of tissue after death are subject to the requirements of the administration of justice. Therefore, where the coroner has jurisdiction in relation to a death the requirements of the Coroners Act must be followed.

Part III of the Human Tissue and Transplant Act 1982 deals with donations of tissue after death, either by the deceased or by the senior next of kin as defined by the Act. For a donation of tissue to be made under part III, the designated officer has to be satisfied that there is a consent or an expressed wish by the deceased for that donation or that there is no reason to believe the deceased had expressed an objection to the use of the tissue. Where the views of the deceased are unknown, the consent of the senior next of kin is required. Part IV of the Human Tissue and Transplant Act provides a scheme of consents for the use of tissue for medical research.

However, the drafting of some of the sections of parts III and IV of the Act has led to concerns about the limitations that may be placed on the use of tissue. One interpretation of section 22 is that the intentions of the deceased could be limited by the senior next of kin. The correct interpretation is that if the consent of the deceased is obtained, then the limitations to be observed are those imposed by the deceased. If the consent of the senior next of kin is obtained, then the limitations to be observed are the limitations imposed by the senior next of kin. Section 22(3) has been redrafted to remove those doubts. To ensure that the persons obtaining consents act properly in so doing and to assure the public that the Government takes a serious view of the practices related to obtaining human tissue, the Bill enables the executive director, Public Health, to prepare codes of practice that will set standards to be observed in obtaining those consents. It will also be possible for the executive director to adopt, in the codes, the best practice rules that are obtained from the experience of other jurisdictions or developed by advisory groups appointed by the Minister.

The codes will be enforceable by undertakings. If an undertaking is breached, provision has been made for a maximum penalty of \$1 000. In addition, it will be possible to report a breach of an undertaking to the relevant professional registration body and the registration body will be able to take the report of the breach into account when

performing its disciplinary functions. There will also be provision for counselling of relatives to ensure that their concerns are not overlooked.

The Bill provides that codes of practice will be given the status of subsidiary legislation by requiring that it is published in the *Government Gazette* and laid before each House of Parliament. The codes will be subject to disallowance. It is considered that these amendments will reassure the public - as donors or as relatives - that the provisions of the Act will be properly administered and that their wishes will prevail. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

### **IRON AND STEEL (MID WEST) AGREEMENT BILL**

#### *Second Reading*

Resumed from 7 May.

**MR BARNETT** (Cottesloe - Minister for Resources Development) [10.15 am]: I want to comment in some detail on the issues raised during a long debate last night concerning the mid west iron and steel project. Before I go into the detail I will make a general observation. This project is very significant for Western Australia; indeed, it is possibly the most significant industrial development project in Australia at present. For the State of Western Australia not only is it large, at a total development cost of some \$2.4b and perhaps creating 1 000 permanent jobs, but also it would be the most significant industrial development in this State since the development of the Kwinana industrial strip in the early 1950s. Since the development of the iron ore industry in the Pilbara, it is the most significant move to substantial regional development and decentralisation in Western Australia. The project is of gigantic proportions in every respect.

Mr Graham interjected.

The SPEAKER: Order! Member for Pilbara.

Mr Graham interjected.

The SPEAKER: Order! I am quite happy to allow interjections but it is clear to me that the Minister does not want to accept interjections. Therefore, I will take a tougher line.

Mr BARNETT: This is an incredibly important project. The State in looking at this project wanted it to go ahead, as it would want any major development project in this State to go ahead.

Mr Grill: You interjected on everyone and now you will not take one. What is wrong with you?

Mr BARNETT: When I have made a statement of about 10 minutes in length, I will take every interjection members can bowl up.

Unlike other major projects in this State it provides a unique opportunity for regional development in the southern part of the State and a unique opportunity to see development in the mid-west of Western Australia.

Mr Graham interjected.

The SPEAKER: Order, member for Pilbara!

Mr BARNETT: The Government unashamedly recognised that this project offered a great opportunity to develop a new industrial site in the southern part of the State and an opportunity to develop a new deep sea port. The State desperately needs one. The Chamber of Commerce and Industry of Western Australia and the Chamber of Mines have been advocating it for years. One cannot go out in a vacuum and create a new industrial site and a new port; one must have a large project on which to piggyback and something to justify the expenditure.

I have made it quite clear, and I accept what was said last night, that this is a major commitment by Western Australia. It is the biggest commitment that this Government has contemplated. It will go ahead only if the project goes ahead. We will be committed to spending large amounts of dollars only once the project is into construction. There are safeguards. I again stress that not one dollar will go to the Kingstream mid-west project. We will proudly invest in infrastructure for that and future projects. This State Government is pro-development. It believes in building infrastructure and attracting investment to this State. It also believes in a secure investment environment. That is what the Government is all about. Members opposite made fun of the goldfields gas pipeline and said that it would never happen, but it is there. This project will happen with a bit of luck, the petrochemical project will happen and this State will continue to develop.

Mr Grill: You said that the goldfields gas pipeline would lower gas costs in the goldfields by 50 per cent.

The SPEAKER: Order!

Mr BARNETT: It was 30 per cent. Last night we heard one member after the other stand opposite and say, "We support this project. It is great." The member for Eyre, who is handling this matter for the Opposition, spoke for 45 minutes or so and convinced us that he supported the project. While he was standing in this Chamber indicating his support and that of the Labor Party, he released a media release which he did not refer to in this House. Paragraph one says that the State opposition will move in Parliament to have the Court Government's Iron and Steel (Mid West) Agreement Bill referred to a select committee of inquiry. That is the truth of it. He put out a press release saying that he would set up a select committee of inquiry. He stood in this Parliament last night and advocated his support for the project. The members opposite all made good fellows of themselves to the media. They said, "I support it." At the same time he sent out a public press release which said they would set up a select committee of inquiry. What sort of sham support is that? The member for Eyre did not even have the decency to admit in this House that he had put out that press release. He did not even advise the House. Why are members opposite ducking for cover now? They all stood up last night and said, "I support the project", but now they are running around behind the scenes and saying, "I support the project, but the Labor Party position is to have a select committee." They either support this project or they do not. What is their position?

Dr Gallop: You have lost the plot, Minister.

Mr BARNETT: Everyone on this side supports the project. We all support development in Western Australia, we all support security for investment, and we all support the mid-west. The Labor Party does not support this project.

Several members interjected.

The SPEAKER: Order!

Dr Gallop: That is a disgraceful speech.

The SPEAKER: Order! The Leader of the Opposition has been in this place a long time and normally conforms very well with the standing orders, but he knows that to interject while I am on my feet is highly disorderly. We cannot allow that barrage of interjections to continue. For the benefit of the members who have just arrived in the Chamber, the Minister has indicated that shortly he will take interjections and deal with them as they arise, so long as they are acceptable to the Chair.

Mr BARNETT: Members who have been in this Parliament for a little while know that the State agreement Act process is critical. The agreement has already been signed by the Premier and me, on behalf of the Government of Western Australia. The project proponents have a signed agreement. That procedure has been the practice in this Parliament since the 1960s. That agreement is legally in place now, but it is brought before the Parliament because the Parliament has traditionally given bipartisan support to projects. When the proponents then go to the share market or financial institutions to raise capital for the project, they have a clear statement of bipartisan parliamentary support for the project. That has been the critical ingredient that has attracted investment into major projects in this State and that has given security of access to the resource and security over the investment. Members opposite, particularly the member for Eyre, well know that to jeopardise the passage of this agreement Bill will jeopardise the project.

Dr Gallop: We are not doing that.

Mr BARNETT: If a select committee were set up in the upper House, this project would be held up. In fact, the project might well fail. Members opposite should not take my word for it. This situation is serious. It is now 8 May. On 17 May, the project proponents will go into the Australian share market to raise equity funding for this project. How will they be able to do that when the Opposition in this State is proposing a select committee into this project? Do members opposite believe in any sense that they are not destroying the project? This is the most crass example of economic vandalism that I have ever seen. This is outrageous behaviour. Members opposite are destroying the capital raising for this project. If this project were to fail, it would be on the head of members opposite. Members opposite are running around wanting to do deals about committees. I will not do a deal. If they reject this project and jeopardise the passage of this Bill, it will be on their heads. They will be in opposition for 20 years. They will never be able to go into the mid-west of Western Australia again.

That is not just my view. The chairman of the company, Mr Ken Court, is so concerned that he wrote to the Leader of the Opposition this morning.

Ms MacTiernan: He is the Premier's brother.

Mr BARNETT: Yes, and he is a damned good business person. The letter to Dr Gallop states -

An integral part of the package being put to investor's world wide is that an agreement to develop the project is in place between the project and the government of Western Australia giving the necessary endorsement for the project.

If the state of Western Australia and the public at large are not seen to be supportive of this project, it will obviously be difficult to get the project up and running.

It states also -

For the above reasons, it is critical that the Legislation currently in front of the Parliament of Western Australia be expedited so that the Bill can be ratified by the Parliament for the world to see support for the project by the necessary authorities in Western Australia.

It was to the credit of the member for Eyre that he declared last night that he had an interest in the project. He did not declare that he was putting out a press release to form a select committee which would jeopardise the capital raising for this project. I do not know what motivated the press release. I knew that the member for Eyre had an interest or some association with the project. He admitted last night that he was a previous partner of Mr Nik Zuks in the project. We are post royal commission and WA Inc. The member for Eyre should think about this -

Dr Gallop: You are politicising this issue in a very stupid way.

Mr BARNETT: Yes, I am right now, because -

Several members interjected.

The SPEAKER: Order!

Several members interjected.

The SPEAKER: Order! I formally call to order the Leader of the Opposition for the first time. I formally call to order the member for Cockburn for the first time. They have been interjecting when I am on my feet.

Mr Thomas interjected.

The SPEAKER: Order! I formally call to order the member for Cockburn for the second time. We cannot have a barrage of interjections like that. I understand the emotions in this debate.

Mr BARNETT: I was aware that the member for Eyre had some association with this project. I was not aware that he was a former partner of Nik Zuks, who has been the principal in this project. It is clearly not appropriate, under any guidelines on conflict of interest, for the member for Eyre to represent the Opposition on this project. The member for Eyre made it very clear last night that there had been a falling out, a personality conflict of some sort, between him and Mr Zuks. I have respect for the member for Eyre, but on this occasion that should rule him out automatically from being an active participant in this project. That is reinforced to me -

Dr Gallop: You are stooping pretty low. You are in the mud now.

Mr BARNETT: If the member for Eyre thought about it, he would see that that would be quite proper.

Dr Gallop: This side of the House has honour on this issue, and you know why.

Mr BARNETT: The member for Eyre was a former partner in this project, and he has admitted that there was a personality conflict. Last night, he put out a press release saying that he wanted to set up a select committee into this project. He knows that will undermine investor confidence. I am not saying he did it deliberately for that reason, but he knows that a select committee will undermine investor confidence - it will certainly undermine share market confidence - and it will jeopardise this project. We know it is a big deal; we know there is some risk for the State. Some may call it visionary; some may call it courageous; and some may call it foolhardy. I recognise that. We are aware of what we are doing. This matter was debated at length in Cabinet, over several months. I agree that it is a big deal for the State and it is a big step forward, but we know what we are doing.

Dr Gallop: Why can the Parliament not know about the deal?

Mr BARNETT: It can, but the mechanism of a select committee will destroy the project, as all members opposite know; they all know what select committees do. How can the proponents go into the marketplace and say, "The Government of Western Australia has agreed to this project, but the Opposition has set up a select committee. By the way, would you like to buy some shares, or can we raise some money in the international finance markets?" What a joke! What an absolute disgrace to Western Australia. Members opposite should be ashamed of themselves.

Mr Kobelke: You are doing a good job there. You are a circus. You have lost it.

Mr BARNETT: The behaviour of members opposite, with a former partner, a member of the Opposition, putting out a press release and not divulging its contents to the House, and now trying to do deals about committees and the like, clearly reflects the standards of the Opposition. I do not deny, as the member for Nollamara said last night, that Parliament should scrutinise the Government's commitment.

Dr Gallop: How? We have given you a mechanism to do that.

Mr BARNETT: There is now an opportunity. Members opposite can ask me questions now and I will answer them to the best of my ability -

Mr Graham: How? The Bill will be guillotined this afternoon. How can we ask questions?

Mr Kobelke: Do not blame it on us. It is on your head. We were ready three weeks ago and you deferred debate.

Mr BARNETT: We have the Public Accounts and Expenditure Review Committee.

Mr Graham: The Leader of the House should refer it to them; he has the numbers.

Mr BARNETT: The Government wants to see this project take place.

Ms MacTiernan: So do we.

Mr BARNETT: No, members opposite do not. They are killing it.

The SPEAKER: Order! The level of debate is degenerating to a stage where I will have to get extremely tough. I do not want to do that. The Minister has indicated that he will answer questions, and we will allow those interjections to provide the opportunity for people to find out what they want to know. We cannot have that if we have this barrage from both sides of the House.

Mr BARNETT: The Government intends to progress this legislation because it wants the project to go ahead. We will give it every chance of succeeding. The Public Accounts and Expenditure Review Committee can investigate the project of its own accord. It can look at government expenditure in the project; it can monitor the project, and it can question me. I am happy to cooperate fully. I am not trying to hide anything. I appeal to the Opposition not to jeopardise the passage of this agreement Bill, which has already been signed. All this Bill is about is ratification. Legally the agreement is in place, as the Opposition knows. That is a responsibility of Executive Government, which has been exercised. We seek a ratification. If the Opposition jeopardises that agreement, it will jeopardise the capital raisings of this project.

Mr Thomas: You could have brought in the Bill at any time in the past month. You did not do so, because you did not think the project would proceed. Be honest and answer the question.

Mr BARNETT: The Opposition supports the Bill, but it wants a select committee. Members opposite know what that will do. Anyone with any commercial experience knows that will destroy this project. The Opposition did not have the decency to divulge to me last night that it wanted to set up a select committee.

Mr Thomas: Have you ever declared the contents of your press releases? You have never done it, so why should we?

Mr BARNETT: That explains the difference between the member for Cockburn and I.

I will respond to some of the issues raised last night. It is a big deal for the State and it is proper that I give whatever information I can on costings and assessment of the project. It is a large project. It has changed in nature. It started off as a 700 000 tonne project at Mullewa; then it went to a 1 million tonne project at Narngulu, and early last year with the involvement of An Feng (Australia) Pty Ltd it suddenly went to 2.4 million tonnes, more than doubling in size. At that stage my view as Minister for Resources Development and that of the Minister for Planning and the Minister for the Environment was that the project was too large to proceed at Narngulu. We therefore not only saw the opportunity to encourage the proponent to move it away from close proximity to Geraldton, but also to grasp a new opportunity to develop a new industrial estate and deep sea port. That had to be cost neutral to the proponents. The advantages for the project proponents are, in particular, that Oakajee offers them the opportunity for future expansion and direct access to a deep sea port with a capacity to cope with vessels that is far greater than Geraldton or even an expanded Geraldton.

That decision was not taken lightly by Cabinet, and the agreement Act contains a number of safeguards to protect the position of the public and to make sure that we do not expend money without justification. It is a large project of 2.4 million tonnes of steel production. It is the first time, after 30 years of iron ore mining that this State will jump

the barrier and go into the production of steel. It will produce about 3 per cent of iron ore in Western Australia, but will contribute about 25 per cent of the total value of iron related exports. That is a tenfold quantum leap that Western Australia has wanted for the past 30 years. This is the chance to do it. Why should not the State play a role and do what State Governments should do; that is, put infrastructure in place, whether it be economic infrastructure such as road, rail, ports and power stations, or social infrastructure like hospitals, schools, police stations and whatever else? Government is about putting in place public infrastructure.

I will talk about some of the pros and cons of the alternative sites. The involvement of the State and the commitment to large expenditure is related to the move from Narngulu to Oakajee, so I will sum up a few of the differences. Narngulu is 6 kilometres from the centre of Geraldton, Oakajee is 25 km to the north. Narngulu is within 2 km of existing residences. There are no residences within 3 km of Oakajee, so there is room for expansion. If the project goes ahead, it will invariably increase its production capacity to 5 million tonnes. There was no prospect of that at Narngulu. The Oakajee site will have 200 hectares allocated to it with a further option on 100 ha. The project will be 300 ha out of an initial core of 1 000 ha, and the estate will conceivably be 3 000 ha. There will be ample room for this project to grow. It could have rolling mills, downstream industry, and other projects like Asia Iron Ltd, a nickel smelter or even an aluminium smelter. None of those options is available at Narngulu. They are all possible at Oakajee. The Kingstream project can expand, and projects such as Asia Iron - if it chooses to go to Oakajee, which I believe it will - will also expand and do more than they could have done on their current sites.

I will make a few observations on the comparative costs of infrastructure, which was the thrust of most of the comments last night. Had the project stayed at Narngulu near Geraldton, at least \$15m would have been required to upgrade road access from Narngulu to the Geraldton port. We would have had to build the southern access corridor at a cost of \$80m. Development at Narngulu would have committed the State to \$80m in roadworks. A development at Oakajee has minimal roadworks. It is next door to the North West Coastal Highway. The only requirement for roadworks would be if the port were not ready in time and some upgrading were necessary to send the initial product out through the Port of Geraldton. That is a substantial advantage. Power connections are cost responsible. The project proponent would have paid \$9m for power connection at Narngulu; the cost at Oakajee is \$10.6m. The State will pick up the extra cost of \$1.6m; the proponent pays \$9m. However, that power connection will be available to the proponent and to any other user. The Government has a significant commitment to build a rail link to Oakajee. That will cost in the order of \$30m, perhaps a little less. That again is public infrastructure available for this project and future projects. The proponent will pay to use the railway line.

Mr Grill: There will be maintenance on that line.

Mr BARNETT: Yes, because it is cost neutral to the proponent. The big issue concerns the port. There have been proposals to expand the Port of Geraldton. The estimated cost of expanding the Port of Geraldton - the so-called Point Moore development - is \$287m. Even if that were done, it could not handle the larger ships. There are still constraints because ships cannot slow down in time with the channel. The cost of developing a port at Oakajee is less; it is \$260m. It will cost less to build a new port than to expand Geraldton. It is not surprising that the environmental impact is dramatically less to develop a major new port than to expand the Port of Geraldton, which would require building out on reef structures and the like. If we were to expand the Port of Geraldton, there would be no industrial area attached to it and the material would still have to be transported, because there is no stockpile area - unless members opposite want to stockpile iron ore on the doorstep of Geraldton.

Mr Grill: If Oakajee does not go ahead, is it realistic to go back to Narngulu and use that port?

Mr BARNETT: If Oakajee does not go ahead, the proponents have protected their position and they have the option to fall back to Narngulu. Although they have environmental approval for 1 million tonnes at Narngulu, they do not have it for 2.4 million tonnes. They would probably struggle to get approval, and to get expansion rights at Narngulu.

Mr Grill: Are you answering that question in the negative?

Dr Gallop: That is a silly thing for the Minister to say. He is talking about our holding up investment.

Mr BARNETT: On that scale, it is very unlikely that it would happen at Narngulu.

Dr Gallop: Would that be a good one to talk about with the equity markets in Europe?

Mr BARNETT: People in the equity markets know that I talk realistically about projects.

Dr Gallop: Do you prejudice the Environmental Protection Authority?

Mr BARNETT: The Leader of the Opposition is a strange person.

Ms MacTiernan: Is a one million tonne project viable?



Mr BARNETT: The member should ask the proponents. I think it would be less viable than 2.4 million tonnes. I will return to that point.

There are some substantial advantages to having a port at Oakajee. I will make some comments about the transport considerations. If the project went ahead at Narngulu, there would be a truck movement every two minutes and 43 seconds through Geraldton. These are not little trucks. The trucks have two trailers and will carry 20 million one-tonne slabs. At many times there would be simultaneously an export of product and an import of coal and scrap metal. So, there would be truck movements at that stage every one minute and 42 seconds, and that will have a dramatic impact on the lifestyle of people in Geraldton. It was those sorts of considerations that encouraged the Government to consider Oakajee for a new port and, in the big picture, the opportunity to proceed with that major development.

Much was said last night about the costs and how long the project would run before it would break even. I cannot answer that with any precision. I cannot foresee the future. This project will generate substantial revenue to the State. It will generate iron ore royalties; large revenue from payroll tax particularly during construction and then ongoing; and substantial revenue from gas royalties depending on where the gas comes from.

We have been working on a figure of \$260m to develop a port. Some of the proposals have been as low as \$190m, and some higher. When we undertake the tender process I expect we will end up with a very competitive port. Ports can be built to all sorts of standards, and it is likely that the development of the port will be staged. There will be the initial development and as further investment comes in and the volume increases, the port will be expanded and the water conditions improved.

Under various scenarios, depending on what one wants to assume about new projects coming into Oakajee, and making some assumptions, the port and the associated infrastructure over 20 years has a net present value which is positive to the State. It is not hugely positive but the initial run of the figures shows a positive investment return to the State of \$5m.

Mr Grill: You have information on this that you have not given to us. We can get that information through proper scrutiny in the committee system, but you will not agree to that, whether in a prospective or retrospective way.

Mr BARNETT: I am providing that information now. We will talk about committees.

This is not a sophisticated analysis, and no-one pretends that it is, but reasonable assumptions about some new projects going into the area - such as Asia Iron and a few others - indicate that over 20 years we expect not only to get our money back but also to have a marginal net profit of \$5m. That is not the critical part of the decision. The same figures indicate that perhaps after the fourth or fifth year the port would move into profit. That is not the reason that the Government is undertaking the project. The Government is undertaking the development of this infrastructure because Western Australia desperately needs a new industrial estate and a new deep sea port in this area. That is the reason for the project, not because we might make or lose \$5m. Nothing is more important for regional development than this project. My colleague the Deputy Premier will have something to work on in the mid-west to attract support service industries and the like, because we will have that big base export industry.

The figures are interesting. For example, by 2005 payroll tax could be \$5m, iron ore royalties \$5m and gas royalties \$9m, which would total almost \$20m in revenue. We might have a reduction in commonwealth grants, and we have allowed about \$10m for that. We will have about \$9m in port subsidies, and a recurrent figure of about \$18m. Therefore, the figures indicate, at first blush, that in 2005 the State will be in front, in a narrow financial sense. That may be optimistic. If I could believe that by 2005 we would be in front, I would be ecstatic. I think it is a little optimistic, and it is more likely to be between 2005 and 2010.

Last night members spoke about a term of 63 years. Members may think in those terms. At the outside we think in terms of 20 years on such an investment, and within that time frame the project has a net positive value.

Mr Kobelke: Isn't the potential liability for 63 years?

Mr BARNETT: Not on the port. It is a 20 year project. Who does financial projections over 60 years?

Mr Kobelke: I accept that. Is there a form of guarantee or commitment in the Bill which would require the Government to take up the liability for the management and operation of the port in the next 63 years?

Mr BARNETT: It is not 63 years. I hope that it will be 200 years. We will build and run the port for centuries, I hope. It is a long term project. Why is the member worrying about 63 years?

Mr Kobelke: It is an open-ended liability.

Mr BARNETT: Somewhere between 2000 and 2010 the port will be fully privatised and the Government will be out of it; it will have its money back. We will be in this project to provide the infrastructure, but not after that stage.

Mr Kobelke: So you are saying there is a liability?

Mr BARNETT: I might give the member a finance lesson later! We are working on a 20 year project funding basis. There is no liability. The project will be wrapped up in 20 years. We will have paid it off.

Mr Kobelke: Why does the Bill refer to 63 years?

Mr BARNETT: That relates to mining leases which run for 63 years! It relates to security over the Tallering Peak resource. It relates to the Mining Act; it is 21 years, plus 21 years, plus 21 years, which gives us the 63. That is mining law; it has nothing to do with the port.

Mr Kobelke: Do you say that 63 years applies in no other part of the Bill?

Mr BARNETT: I will not worry with this, if I must explain the Mining Act, Mr Speaker. This is a project for a port. The Government is not talking about grants or subsidies directly to the company. We are talking about supporting infrastructure.

As a result of the comments last night, I wish to make a few comparisons. When members opposite were in Government, under the Australind agreement Act they gave away 55 hectares of land at Kemerton for \$1. That was not bad! We are selling the land at Oakajee to Kingstream Resources. When in government, members opposite gave \$8.5m compensation to SCM.

Mr Kobelke: That was to fix the environmental disaster which your Government created.

Mr BARNETT: Members opposite extended a 132 kV powerline, at no cost. We are making the company pay for the powerline. Members opposite provided a gas line to Kemerton, at no cost.

Ms MacTiernan: What was the Opposition doing at the time?

Mr BARNETT: The member is a joke!

Under the Kemerton agreement Act, \$8m was provided. Members opposite provided another \$4.7m for a startup delay. They provided a free grant of 160 hectares of land. That was pretty good stuff! These are the people who dared to criticise me last night. They handed over money, built infrastructure at no cost, and gave away land or charged only \$1 for it. The Government is not giving Kingstream one cent in the mid-west. The company would love it, but we will not be giving it a red cent. We are building infrastructure. Perhaps the Leader of the Opposition can tell me where we are providing money!

Dr Gallop: What about the infrastructure?

Mr BARNETT: Members really must listen; they must work at it! We are building infrastructure that will be available for the company and for anyone else - and they will pay commercial rates to use it, unlike the situation when members opposite were in government.

The proponents will pay a contribution to get the powerline out there. It will cost \$10.6m; they will pay \$9m. The Labor Party put in powerlines, water supplies and gas lines for free. The proponents in this agreement will pay for the majority of the infrastructure. The difference is that in this case the State is undertaking responsibility for a new port. As the State in times gone by built harbours at Fremantle, Bunbury and Geraldton, it will now build Oakajee harbour - and it is about damned time a new port was built in this State.

That is what we are on about: This Government will build a new port. We will be proud of it and we think we will get our money back sooner rather than later. If we cannot privatise it 100 per cent upfront, we will take a position in the port and sell out of the port when we can. People will be falling over themselves to develop the port. Some have already expressed an interest.

Dr Gallop: If this is such a wonderful deal, what is wrong with its going to a committee of the Parliament to examine it?

Mr BARNETT: By setting up a parliamentary committee, the Opposition will delay the passage of this legislation.

Dr Gallop: That was not the question I asked.

Mr BARNETT: That is what is wrong. I will not make this information available because it is first blush of the project. That is not a criticism of the department. The State Government is spending a lot of money - in the order of \$1m to \$2m - on detailed engineering and environmental work and detailed financial analysis and the like. As that

information becomes available, the Government will go through a process of decision making. Those decisions will be made by a formal process as laid out in the agreement Act. I give an undertaking to divulge to the Parliament all that is proper and fair. There is no secrecy; I have nothing to hide.

Mr Thomas: Who will judge what is proper and fair?

Mr BARNETT: Given a choice between the member for Cockburn and me, I will go for me.

I will say a little about the process of decision making and, therefore, the process of commitment of the State. The first step is a fatal flaw analysis. That process is occurring now. Either party, Kingstream or the State, can look at the proposal and, if necessary, reach a conclusion that something will not work. For example, the State might find out that the port will cost \$700m, or Kingstream might say the site is unsuitable and the soil conditions or foundations are inappropriate. Both parties are going through that process now, but to the best of my knowledge nothing has occurred on either side, either technically or financially, to indicate that Oakajee is ruled out. I expect to get through that process.

The next stage, formal consultation, will occur in June-July. At that stage a final decision must be made on the site. The project proponents must either commit to Oakajee or not. It is essentially their decision. The Government must say that it commits to the development of Oakajee. A steel mill will not only cost \$1.4b directly and another \$1b indirectly, but will take about three years to construct. To run a railway line out might take three or four months, depending on the route it takes; to run a powerline out might take a month; and to do a little roadwork might take a month or two. That infrastructure will be done right at the end of construction. The Government will not build a railway line and let it sit there for three years while the steel mill is built. Those relatively minor works will be done in the last year, or perhaps six months, of construction.

The big ticket item is the port. Initial estimates are \$260m, although a Rolls Royce port may cost well over \$300m. Bids have been made at \$190m. It will cost in the range of \$250m to \$300m to build a quality port that is big enough for this project, big enough for its expansion and big enough for a host of future industries. The State is not committed to the port until the project is under construction, and it is not committed to the port for five years after that date. Kingstream must raise its money on the Stock Exchange; it must get all the corporate approvals; it must raise its finance; it must receive environmental and other approvals; and it must start construction. That does not mean putting up a dunny in the corner of the block; it means substantial construction in the project.

A steel mill cannot be started in a little way. The proponents cannot just run a grader over the land and flatten the hill. To be into construction means substantial construction. In other words, in this case literally hundreds of millions of dollars of contracts must be let and committed. The proponents must convince the Government - I think it will be obvious - that they are into construction and that the contracts have been let. The Government will talk to the banks with their cooperation and the banks will indicate whether the funds are in place. The engineering contractor will indicate its construction schedule. Once everyone is on site and it is all go - the proponents will be in for \$1b or more at that stage - the Government will look at the calendar, pick the date, and say that in five years' time a port will be in place.

Ms MacTiernan: Is that five years from the commencement of substantial construction?

Mr BARNETT: Yes.

Ms MacTiernan: How long does it take to construct a port?

Mr BARNETT: The port will probably take 15 to 18 months. The port will be built during the last part of the construction period. Effectively, the steel mill will be there before the State starts building the port. The Government will have to spend some money upfront to do engineering and seabed testing. Some of that preparatory work is already taking place. However, the big dollars for the State, the \$300m in the port, will be required when the steel mill is two-thirds built. By that stage the Government will have a good indication of whatever else might go in there; for example, nickel, alumina or mineral sands.

I do not deny for a moment that this is a bold step. However, with due credit to the bureaucracy, although they are lovely people they are conservative. They are not rolling into this place with a wild scheme. This is a real project. It has some challenges. The first big challenge, which the Opposition wants to place at risk, is to raise money in the capital market next week. The document must then be banked and large amounts of capital raised. All we have to do as mere parliamentarians for Western Australia, dependent on its international reputation and on the formal state agreement process, is pass the agreement, and, as members opposite said they would do last night, support the project. The Opposition will have ample opportunity over perhaps the next seven years to question and challenge me.

Mr Thomas: After it is too late.

Mr BARNETT: The State has not yet committed to a port. It has set up a procedure under an agreement Bill and if the project goes ahead, it may commit to a port - five years after the proponents commence construction. Their current plan is to start construction in October. I hope they can achieve that; however, that prediction is optimistic for a project of this scale. I do not want to be pessimistic, but construction might not commence until next year. Let us say it gets into construction seriously in 1998. We are looking at a commitment to have a new port in place by 2003. We have a bit of time. What a fantastic thing for me or whoever has the privilege of being Minister for Resources Development to go around the world and say Western Australia is developing with bipartisan support a new industrial estate. We have a new deep sea port about to be constructed and we will be able to compete in Asia-Pacific and say we have one of the best locations - a purpose-built, clean, environmentally determined site; a great new deep sea port; low cost energy; a great work force; great social economic conditions; good proximity to a major regional centre; and close to the booming markets of Asia. That is what development is all about. Having a bit of vision and a big picture. If members opposite set up a select committee on this Bill, they will jeopardise it all. They can sit there with their smug grins.

Dr Gallop: Why don't you respond maturely to the sorts of issues we are raising?

Mr BARNETT: The Opposition can have the Public Accounts and Expenditure Review Committee monitor this project all the way. It can question me and move motions. I am not being secretive about this project. I realise that for me personally this is a big gamble. This is the gutsiest thing I have tried to do. I might fall on my face.

Dr Gallop: Is it not a Cabinet decision?

Mr BARNETT: Yes.

Dr Gallop: What are you on about then? Don't you believe in collective responsibility?

Mr BARNETT: Clearly, as the responsible Minister I have negotiated the agreement and brought it to Parliament. I am publicly promoting it. I am delighted Cabinet supported me fully. However, there are many issues to resolve. There have been arguments about the port and questions about funding the railway. It is a large project that will affect many agencies.

Question put and passed.

Bill read a second time.

*Motion - Referral to Select Committee*

**MR GRILL** (Eyre) [11.01 am]: Mr Speaker -

*Point of Order*

Mr BARNETT: I seek clarification. We are dealing with this Bill. I am curious about what is going on.

*Debate Resumed*

Mr GRILL: The Minister should listen to the motion. He went off on a tangent a few times this morning; he should not add to the list.

Yesterday in a press release I foreshadowed, contemporaneously with the debate on this issue, that the Opposition would move a motion to refer this agreement to a select committee. I therefore move -

- (1) That the Bill be referred to a select committee for consideration and report, and in particular for a report on -
  - (a) the full extent of state support for the project;
  - (b) the cost/benefit to the community of Western Australia of the state contribution to the project;
  - (c) the employment generation potential of the project both in the planning and construction phase and in its long term operation; and
  - (d) the implications of the project for the gas transmission industry in Western Australia.
- (2) That the committee have power to call for persons and papers, to sit on days on which the House stands adjourned, and to move from place to place.
- (3) That the committee report to the House by 10 June 1997.

Mr Barnett: This is the first time the Parliament of Western Australia has jeopardised an agreement Act.

Dr Gallop: Don't be so stupid.

Mr GRILL: The Minister should wait to see what is happening. This motion is not designed in any way to jeopardise or delay this project. We will talk shortly about delay, which has occurred. As the Minister openly conceded yesterday, time lines have not been met, but not in any sense because of actions taken by the Opposition on this matter. Delays have been occasioned because the Government has been rather tardy in bringing forward this legislation.

The first part of the Minister's contribution today was one of the most intemperate speeches I have heard him make since I have been in Parliament with him. Probably in due course he will regret his remarks. Nonetheless, he underlined the fact that all the speakers on this side of the House gave their absolute support for the principles and objects of this project. We do not resile from that in any way whatsoever. Nor do we resile from the necessity to create the right sort of business and investment climate in Western Australia, especially for large resource projects.

In endeavouring to paint the Opposition black, in the first part of the Minister's speech he put up a quite abhorrent concept; that is, these projects are either black or white - we either support them or we do not support them. The process of questioning, which is the central role of an Opposition in this House, is irrelevant and should not take place.

Mr Barnett: Who said that?

Mr GRILL: That is what the Minister implied. We do not see projects in that light. We are prepared to support important projects of this nature, especially steelworks that we have wanted to see developed in this State for a long time. However, we do not resile from our responsibility to question the funding and the viability of that process. To a large extent the Minister and the Government have kept the people of Western Australia, this Opposition and a number of their backbenchers in the dark on a range of critical figures regarding this development.

Today he was prepared to open the box to some degree and quote further figures on the project. He gave us some inkling of what he thought this project may do regarding financial returns to the State. That was not evident in his second reading speech. He made a bland statement that there would be a \$5m return from royalties; nothing more and nothing less. Despite providing the figures he quoted to the Chamber today he made it clear that he was not prepared to make available to the Opposition supporting documentation.

Mr Barnett: I do not have any. It does not exist.

Mr GRILL: The Opposition's duty is to probe, question and scrutinise this sort of legislation. Fundamentally, it is to seek information on these projects especially when such a high level of government subsidy and support exists. By his own admission, an immense level of government support and subsidy will be involved in this project. I will refer to the figures involved later.

The Minister has been most unfair today - in more sober reflection he will appreciate that to some degree he got into the gutter this morning - in reflecting adversely on my role. My role in this project has never been a secret. On numerous occasions I have made certain that everyone knew that until 1992 I had a role in it. I thought that the Minister showed signs of approval yesterday, when I made it abundantly clear that I had a role in this project until 1992.

Mr Barnett: I acknowledged that this morning, but it rules you out. I gave you credit for making your position clear. At the same time, having thought about that overnight, that rules you out.

Dr Gallop: You did not think about it; you responded impulsively.

Mr Barnett: I have respect for you but on this case you are ruled out.

Mr GRILL: The Minister's remarks were unnecessarily provocative this morning. In raising that issue he demeaned himself.

In proposing that this Bill be scrutinised by a committee it appears, if I continued to have an interest in the project, I would be acting against my own better financial interests.

Mr Barnett: I am not suggesting you stand to gain or lose financially. I do not mean this in a disrespectful way. It is proper that you are not in a position where you represent the Opposition on this. In every other resource area I am happy that you do that. On this one project it is inappropriate.

Mr GRILL: On sober reflection the Minister will regret those remarks. If the Minister were to analyse what I did yesterday when I put out a press release indicating the Opposition would move a motion to refer the Bill to a select

committee, he would appreciate that, by doing that, if I did continue to have an interest in the project, I would be acting against my best interests. I cannot see a conflict of interest, nor do I consider I have in any way acted improperly in this matter.

Mr Barnett: I have not suggested that at all. I stated this morning that you had acted properly yesterday by declaring your involvement. I was surprised to learn of the extent of your involvement. Having thought about it, I think it is inappropriate for you to be the opposition spokesman on this project. I enjoy working with you because you are the only member opposite who has empathy for these projects.

Mr GRILL: That is entirely incorrect.

Mr Thomas: You arrogant fool.

*Withdrawal of Remark*

Mr COWAN: That is an unparliamentary comment and I ask that it be withdrawn.

Mr THOMAS: I withdraw.

*Debate Resumed*

Mr GRILL: I will outline the commitment the Opposition gave the Parliament today. It does not intend to delay this piece of legislation for one minute. The Opposition has not, until now, engaged in any action which has delayed the consideration of this Bill. A time limit has been imposed on the debate on this Bill. It was set at the beginning of the week by the Government. Members know they must meet the time limit because it was imposed by way of a guillotine motion.

The Minister said that this is one of the most important projects not only for Western Australia but for the whole of Australia. By and large that was reflected in the comments of members on this side of the House throughout the second reading debate yesterday. Given that, members expect this Bill to be given a longer time for thorough consideration and debate. A guillotine motion is in place and members accept that reality. However, the role of the Opposition must be discharged and the role of gaining information about this legislation and scrutinising it, in view of the massive subsidies involved, is one we need to ensure is brought about by one means or another. It is most unlikely, given the nature of this debate and the short time the Bill will be debated, for that sort of scrutiny to take place in this Chamber. It is for that reason the Opposition first thought it appropriate to move to refer this piece of legislation to a select committee where people could sit down in the right circumstances and examine the witnesses, the Minister and the officers who have charge of the Bill and to put questions to the proponents of the Bill to obtain information on the project and its return to the State.

The Opposition has had information flung at it across the Chamber which makes the project slightly more attractive in terms of the return to the State. Why was the information not given to the Opposition earlier and why is it not privy to the written information at this stage? Is it fair that the Opposition must rely on figures and facts thrown across the Table by the Minister without any way of checking them, probing them and looking at the figures in a written form? Is the Opposition discharging its responsibility to the people of the State if it accepts that sort of treatment?

This morning, I think in response to the second reading debate, the proponents for the project gave the Opposition a lot more information about the project. If the Opposition had allowed this legislation to go through, that information may never have come to the Opposition. It materialised this morning in response to the second reading debate. That is the sort of information the Opposition has always wanted and required. Probably a lot more information about this project could be made available.

Yesterday, the Minister made a number of concessions in respect of this legislation. The Opposition mentioned \$300m as a conservative figure for the infrastructure costs. It thought it could be \$350m. However, the Minister conceded that the envelope could balloon out to \$400m - that was his figure, not the Opposition's figure. He did not give an explanation for the possible ballooning out of that cost, nor did he provide an estimate of the original cost. Opposition members have no way of scrutinising the figures. I acknowledge opposition members had a briefing from the officer involved in drawing up the legislation, but he is only one officer with one window to the information relating to this project.

Given that the Minister concedes that the capital infrastructure contribution by the State could balloon out to \$400m, and given his concession that the entering into this contract by the Government in these circumstances could be conceived by objective observers as "cavalier" - once again not my word, but the Minister's word - the Opposition needs to scrutinise the project. Even today the Minister concedes he is taking a major risk with this project

Mr Barnett: A personal risk.

Mr GRILL: Again they are his words, not the Opposition's. It is his concession, not the Opposition's concession

Mr Barnett: The member for Armadale raised the issue about the timing. Everyone understands that the commitment for the port is to have it operating five years after the steel mill becomes operational. Irrespective of the analysis, come 30 June, under the agreement Act, the State can decide not to go ahead. It is not locked in.

Mr GRILL: The Opposition understands that, but the Minister will have a lot of egg on his face in the event that this project does not come off.

Mr Barnett interjected.

Mr GRILL: I am giving the Minister a lot more latitude than he gave me in terms of interjections. I have only five minutes remaining.

A number of concessions were made by the Minister yesterday which give rise to the need for further scrutiny of this legislation. The Opposition came up with a figure for the ongoing operational subsidy to this project. There is some argument about whether they are the correct words to use. The Opposition understands what it is talking about when it uses those words. It suggested that conservatively it could be \$20m annually. The Minister said it is a reasonable figure and the Government would not argue with that. Members should consider the ramifications of that. If the amount is \$20m annually for the liability period of 10 to 15 years the Minister is talking about - he will not concede to 63 years but he will agree to 10 or 15 and at times he has mentioned 20 years - and if members multiply the annual figure by the least number of years conceded by the Minister, it comes to \$200m. That is a lot of money.

Mr Barnett: That is flawed. Even if I accept your point, on the other side of the ledger there is \$15m to \$20m of revenue. Sure there will be a subsidy going to the port, but the Government will be collecting royalties.

Mr GRILL: They are the very sorts of things that need scrutiny. This morning the Opposition offered a proposal to the Minister which would have allowed this piece of legislation to go through this House immediately and through the upper House with the absolute support of the Opposition, but allowing some retrospective scrutiny of it. That proposal, which will be outlined by the Leader of the Opposition shortly, was rejected by this Minister.

When it became clear last night that the Opposition intended to move a motion that would see this matter sent off to a select committee, the proponents indicated that that sort of delay could be detrimental to their fundraising efforts. This morning they wrote to the Opposition indicating the critical path for their financial arrangements and said that consideration of this matter by a select committee could interfere with that. The Opposition is sympathetic to Kingstream Resources and An Feng in that regard. However, the legislation could have been debated in this House at least three weeks ago. The Opposition was ready, and indicated its readiness, to debate this Bill three weeks ago, but the Government did not take up that opportunity. The House is faced with the threat of the guillotine in a few hours yet it still lacks information about the legislation.

Mr Minson: Why did you waste all that time yesterday? Yesterday was a waste in this Parliament.

Mr GRILL: What does the member for Greenough mean? The House did not start to debate this Bill until 4 o'clock yesterday.

Mr Barnett: Two stunts in one day.

Mr GRILL: The Minister may think that the industrial relations legislation is not important, but the public does not agree with him.

Three weeks ago the Opposition was prepared and ready to debate this legislation. If the Government thought that this legislation was as important as the Minister is now alleging - we do not disagree, it is important legislation by any Australian standard - he should have brought it forward then. The Opposition does not intend to delay this legislation. It will ensure it passes both this House and the upper House but it wants some concession from the Minister about the scrutiny of this legislation and the agreements.

**DR GALLOP** (Victoria Park - Leader of the Opposition) [11.25 am]: I second the motion moved by the member for Eyre. I intend to engage in some dialogue with the Minister for Resources Development as I proceed. The Government brought this legislation to the Parliament on 19 March; that is, six weeks ago. The Opposition promptly dealt with the Bill. Its resolutions on the matter were determined within Caucus quickly and its lead speaker was ready to speak on the Bill many weeks ago. However, the Government chose to promote its industrial relations legislation first and waited while the Minister went overseas. Therefore, the Opposition does not intend to cop the Government's argument that the Opposition is trying to delay the passage of this matter through Parliament.

The Government has an interesting set of priorities. It is trying to ram through highly divisive industrial relations legislation, which the Opposition believes will jeopardise development in this State, instead of promoting legislation

such as this. The Opposition is concerned that the Minister's attitude is that the Government of the day has sole control over the development process in Western Australia, has the sole right to information on that development process, has the sole right to determine the pace of that process and that no-one will get in the way of that process. That is a 1950s-1960s approach to development. The Opposition believes the Government of the day has a strong claim to be substantially in control of that process, but Parliament must be able to scrutinise cabinet decisions so that at election time people know what is going on and can vote in the knowledge that all the facts are on the table.

I provide this analogy for the Minister's consideration. A number of years ago the New South Wales Government decided to privatise the Port Macquarie Hospital. Just as we have been debating this Bill in this Parliament, there was a debate in the New South Wales Parliament on that issue. The then NSW Labor Opposition opposed the privatisation and the then NSW Government supported the privatisation. Although it was agreed that a parliamentary committee should inquire into the matter, the privatisation went ahead. The report of the inquiry was tabled in the Parliament. Subsequently, the Auditor General conducted another inquiry. His report was also tabled in the Parliament. That meant that when the people of New South Wales voted at the last state election all the facts pertaining to the agreement the NSW Government had entered into with Health Care of Australia were on the table. At that election the people of New South Wales clearly advised the Government that they did not want any more privatisation. This Government has not heeded that advice.

The Opposition believes the Government should be in control of the process, but Parliament has an important role to play in scrutinising the facts. The Opposition's position was that the House would support the second reading of the Bill, then move the motion of the member for Eyre so that we could follow up on the points of the Minister in more detail and report back to the Parliament on the facts.

Mr Barnett: When were you intending to report back to Parliament?

Dr GALLOP: The motion provides that the select committee report to the House by 10 June. The Opposition has publicised that fact and the developers have expressed concern about the impact that might have on the timetable of the project. I will put a proposition to the Minister and see whether he is dealing with this issue maturely and responsibly or whether he is trying to play politics. I put this to him in the open forum of Parliament so that everyone knows what the Opposition stands for on this issue and so that he can respond in a mature way.

A number of months ago I moved in this Parliament the following motion -

That a Standing Committee on Major Projects be established to inquire into and provide advice on the issues associated with the planning and realisation of significant investment projects in the State, and in particular to examine the relevance or otherwise of state support mechanisms

The Opposition's proposal a number of months ago had in mind that one of the difficulties with all major projects is the huge gap in information between Government and Parliament. That problem has been acknowledged by the Royal Commission into Commercial Activities of Government and Other Matters, the Commission on Government and anyone who takes these matters seriously. The Opposition is calling for - we have not debated it in Parliament yet - a standing committee on major projects so that members of the Parliament, who have a real interest in these matters, can be fully informed and briefed on it and so that all the information can come forward in a proper forum.

Ms MacTiernan: That is how we can ensure a proper bipartisan approach.

Dr GALLOP: Exactly, a proper bipartisan approach to these major issues.

An issue has emerged since then; that is, the Kingstream project. All the facts about the extent of state support should be public knowledge. As the member for Eyre has said, even at the end of the second reading speech new facts were coming forward. New facts are coming forward all the time. We should refer this matter to a select committee and have all those matters on the table so that Parliament is fully informed. The delays in this matter are the responsibility of the Government, not the Opposition.

Mr Barnett: You are not convincing anyone. I can tell you that.

Dr GALLOP: This Bill was introduced on 19 March. It is now six weeks later. Who is responsible for that delay?

Mr Barnett: I made it very clear that I would bring this Bill in as quickly as I could.

Dr GALLOP: The Minister did not do it.

Mr Barnett: This matter went through Cabinet only in December-January. I brought it forward as quickly as I could. We drafted the legislation and I said I would leave it lie in this Chamber for a decent period.



Dr GALLOP: Is that what happened or was it the Government's desire to get the industrial relations legislation through before 22 May?

Mr Barnett: I do not deny that there are other competing pieces of legislation.

Dr GALLOP: Exactly.

Mr Barnett: I made it clear to the Opposition that we would not bring it in and rush it through. We would leave it on the Table.

Dr GALLOP: If this legislation had been debated in March and we had moved for the standing committee at that time, it would have reported by now. Therefore, any delay of the Opposition's objectives in this matter are the Minister's and his Government's responsibility.

Mr Barnett: If you go out into the community with this proposal, I will bet you will get no support from the investment community.

Dr GALLOP: That is the Minister's view. He can talk that way all he likes.

Mr Barnett: I will be talking for days and weeks about this and the conflict of the member for Eyre.

Dr GALLOP: Good on the Minister; that is good. I put this proposition to the Minister: We will withdraw our motion if the Minister agrees to the establishment of a standing committee on major projects. What is the Minister's response to that?

Mr Barnett: My response to that is sheer amazement! We have heard speeches from a person for whom I have respect because of that member's commitment to accountability and now the Leader of the Opposition comes to the House publicly with what is a fairly grubby deal. He is saying, "We will put your agreement Bill through if you agree to our select committee." That is what you are saying.

Dr GALLOP: I repeat, Minister: Any delay in this agreement Bill is not the responsibility of the Opposition; it is the Minister's responsibility.

Mr Barnett: It will be on your head. What a grubby deal.

Dr GALLOP: A grubby deal? By allowing us to set up a standing committee on major projects?

Mr Barnett: That is close to political corruption.

Dr GALLOP: Come on! Let us agree to set up a major projects committee, which would deal with the objectives that the Opposition wants, and we will withdraw our motion. What is wrong with that proposition?

Mr Barnett: If you believe there should be a select committee on major projects, you should have the ability to argue that on its merits. You should not trade it off on the passage of a piece of legislation. That is what you are doing.

Dr GALLOP: We would achieve our objectives through the establishment of a select committee.

Mr Barnett: You can bring that on and we will debate it. I do not favour it. We have not discussed it in Cabinet or in the party room.

Dr GALLOP: The Minister is in charge of this matter. I repeat: What is wrong with our proposal for a standing committee on major projects to allow the Parliament to have a role in gathering information and reporting?

Mr Barnett: When you bring on that motion for debate, I will debate it with you and listen to your argument.

Dr GALLOP: Let the record show the Government's position on this matter. The Minister has not responded in a mature way. We put this to the Minister before Parliament began sitting today, and he flew into a rage. This Minister has completely lost the plot on this issue. He has now bound his personality into it. As soon as that happens with these issues, we have a problem, because these issues should be dealt with on the facts before the Parliament. Everybody knows that. As soon as Ministers get so tied up with issues personally and stake their reputations on those issues, they lose it because they do not respond rationally to reasonable requests. Our request is a very reasonable one and we are a very reasonable political party in terms of major development projects. The Minister can go off and talk about the Opposition's stand on these projects all he likes. However, here in Western Australia where it counts - where the people vote in elections - the people will know that the Minister is stopping Parliament from gathering information on major projects. That is the only thing that matters to the people of Western Australia. The record will show that the Minister has rejected that. The Minister might like to take time to reflect on his position. He might like to consult with his colleagues about this while we are debating rather than reacting in the way he has - he has been very impulsive - to what we have put forward. That would allow him to achieve his objectives, allow

the Opposition to achieve its objectives, and, importantly, mean that the people of Western Australia will be in a better position than they were before to get information about these projects.

In summary, any delay in this matter is the responsibility of the Minister and the Government. This legislation was introduced on 19 March, nearly two months ago. The Government chose the industrial relations legislation and the trip to Europe as its priorities. That was its decision. It should be held accountable for it.

The Opposition has put forward a proposal here today that it believes is a good one from the point of view of accountability. We have put a proposition to the Government that will allow us to achieve our objectives in a different way. It is not too much to ask the Government to respond positively to our suggestion. However, it appears on current evidence that it will not do that. Apparently, it is happy to ignore the Opposition's proposition and play politics. Commonsense should prevail.

Mr Omodei: Whose idea was this?

Dr GALLOP: Mine. I put it forward a few months ago.

Mr Omodei: You want to take over the role of government.

Dr GALLOP: Not at all. If the Minister thinks that, he is being very silly. He should examine our record in this Parliament on major development projects. There is a very clear message in that record. Obviously, the Minister will reject my proposal. However, I ask him to consult his colleagues about it, because I think a standing committee on major projects would be of -

Mr Barnett: If you bring that on for debate in private members' time we will debate it, or you can request the Public Accounts and Expenditure Review Committee to monitor the project.

Dr GALLOP: That committee has a few matters on its agenda. Let us set up the committee.

Mr Barnett: I will not oppose the public accounts committee looking at this matter. However, I will not accept holding up the agreement Bill. Not much more information than I have given is available. The design study of the port is being done now.

Dr GALLOP: As we proceed with this issue, the Minister moves. He has said that he has no problem with the Public Accounts and Expenditure Review Committee looking into this matter. If that is the case, what is the problem with having a standing committee on major projects?

Mr Barnett: A big difference.

Dr GALLOP: What is the difference?

Mr Bloffwitch: Do you want them to interfere in everything?

Dr GALLOP: Has the member seen the terms of reference of the public accounts committee? The committee I am proposing would have no different terms than the Public Accounts and Expenditure Review Committee, except it would focus on major projects. The Government is starting to move a little. I request other Ministers and other members of Parliament to put pressure on this Minister and tell him he has been on his high horse for too long. He has lost the plot. He should be brought back to reality and talk commonsense with the Opposition about these matters.

**MR BLOFFWITCH** (Geraldton) [11.40 am]: I wonder why, when the Government is proposing to spend money to establish an industrial area, members opposite are so adamant that we have a select committee to look at it. Why have we not had select committees to look at all industrial areas? Why did we not have a select committee, when perhaps there was a need, to look at the petrochemical plant?

Ms MacTiernan: You were asleep while you were in opposition - that is why.

Mr BLOFFWITCH: We were asleep, and a few people are in gaol as a result. Why not look at every project that LandCorp, the Government, the Minister for Resources Development and the Minister for Regional Development look at? We could have a select committee calling people in and asking for evidence under oath. That would suit the member for Cockburn. He could get Western Power people in there and demand that they turn over confidential contracts. Perhaps that is the motive.

Mr Barnett: It would go down well with foreign bankers and investors!

Mr BLOFFWITCH: It would go down well with everyone. I can imagine our referring this to a select committee or a general committee. What confidence would that give to investors in this venture? The word would go back that

the Opposition is not happy or has some serious concerns with some aspects of the venture. Having those serious concerns, the Opposition wants them examined. What sort of message would that send? The only sensible thing that I have heard the Leader of the Opposition say is that we will move this Bill through as quickly as possible after this debate. We must do this as a united House and say that we are all supporting this venture. Of course a lot of money will be spent and of course there is a commitment; this is a new industrial area. We are talking about a new port facility. These facilities will not benefit one supplier more than another. If two or three steel mills are situated in Geraldton, all of them will have the benefit of a deep water port. If there is an alumina plant and a nickel plant, they will have the benefit of it.

The Government is proposing, as the Minister has said, to piggyback on a very large project the ability to establish an industrial area and deep water port. They have always been lacking on that part of the coastal mid-section of Western Australia. I urge the Opposition not to put a select committee together. Opposition members can certainly debate the Bill at the Committee stage and ask the questions they want. Who knows what the port will cost? I have heard three versions: One is that the port will not have a groyne and that the builders will excavate some of the coast and that the port will be very close to the shore, which would probably save about \$100m. If they do not do it that way and build a large groyne, the port will probably cost in the region of \$260m. All of this is in the planning stage. Planning studies are still taking place on the best route for the railway line and its cost and where the road will go. Nothing has been decided, yet the Opposition is saying that we must set up a select committee to examine it. I suggest we exercise a little patience and wait and see what happens. More importantly, for the group that is trying to get this off the ground, we must show some united support in this Chamber for the project going through and say that we give it our total support as a Parliament, rather than the Opposition having second thoughts and being concerned about the amount of money that may be allocated.

Mr Graham: You don't think that is important?

Mr BLOFFWITCH: Everything is important. Over the next three or four years a major amount of money will be spent. We have a Public Accounts and Expenditure Review Committee. The findings of a review of the Parliament stated that we should use the present committees more rather than setting up select committees. Both the Opposition and the Government said that is what we should do. The Minister said that he would welcome such an investigation. In six to 18 months, as these costs become available, we could make some sense out of a cost-benefit analysis. That is what parliamentary committees are for. Let us use what we have and forget about a select committee. What would a select committee do? It would satisfy the ego of the member for Cockburn. He might find out what is the price of gas on one particular contract. What would that do to the confidentiality of the businesses which are doing deals? It would wreck it.

Mr Graham: Why?

Mr BLOFFWITCH: If I knew the cost and I was another supplier, it would not be awfully hard to counter it. We must have confidentiality when entering into large contractual agreements. If two companies find out that another is being supplied fuel at 3¢ discount, they will say, "We want the 3¢ discount." Members opposite want people to be able to negotiate a contract in such a way that, when both parties are happy, they can then go in and say, "The first company got it cheaper three years ago, so you blokes should go back and have another go."

Mr Graham: With this Bill you are doing the exact opposite. You are using taxpayers' money to fund a newcomer by way of a royalty reduction on iron ore so that it may set up in competition with other Australian companies.

Mr BLOFFWITCH: We are doing what anybody else does. Broken Hill Proprietary Co Ltd will not pay the same royalty for its briquette plant as it does when it drags the iron out of the ground. The differential there applies to what we are doing.

Mr Graham: There is an additional 15 per cent discount.

Mr BLOFFWITCH: If there is, it is so that the proponents may become established in a new area. The ore would never be used if it were not for this project. It is not premium stuff that the proponents will ship around the world. The process will use ore which would never be used under any other circumstances. To give incentives to do that is a very wise decision. We built a power station in Collie for the same reason. Nobody wanted to buy the coal. Would it not have been a waste to leave it there? We might as well use it. The principle is exactly the same because this is a similar grade of iron. That is why the incentive is there. Anybody who does not agree with that is either from the Pilbara, where people dig ore out of the ground and send it overseas in huge amounts or -

Mr Riebeling: Why do you not put \$100m into Aussie Steel?

Mr BLOFFWITCH: It already has a deep water port. We do not have a deep water port in the mid-western or such a big industry in the west. However, we have a gas pipeline that passes us and the opportunity to build a port which

could handle the largest ships in the world because of the depth of water. All the Opposition will do with the select committee is satisfy the egos of two or three of its members who want to get in and find out all these details. They think it does not matter a damn what happens to the project. That is the Opposition's attitude, and why we will be opposing the select committee. If members opposite are earnest about keeping a close look at what is occurring they should refer the issue to the Public Accounts and Expenditure Review Committee. However, they should do it when the figures are available and not when they are only blue sky.

**MR THOMAS** (Cockburn) [11.50 am]: I am happy to support the motion moved by my colleague the member for Eyre to create a select committee to look at this project. We have heard the histrionics of the Minister for Resources Development in response to this proposition, and a similar point of view has been argued by the member for Geraldton. We are in the process of passing an agreement Bill which will ratify an agreement which has been entered into by the Government and the proponents of this project. That agreement involves a number of assignments of public assets. It involves a commitment by the State to create a port and a rail line, and commitments involving water and gas. As I indicated in my contribution to the debate last night the agreement has significant implications for the future of the gas transmission industry in Western Australia.

Probably the major event in politics in this State over the past 10 years was the report of the Royal Commission into Commercial Activities of Government and Other Matters. The commission said that the Parliament had not fulfilled its function in scrutinising the commercial activities of government. The Oakajee project is a major undertaking by the Government. To what extent should the Parliament have knowledge of and approve of that project? The Minister wants the Parliament to be like the member for Geraldton and act as a cheer squad. The Minister has told us that it is a great new project that will provide 1 000 jobs and the member for Geraldton cheers loudly because it is in his electorate.

Mr Minson: It is in mine.

Mr THOMAS: All right, it is in the electorate of the member for Greenough and he will cheer with the same degree of enthusiasm as the member for Geraldton. However, that is all they do. If one calls into question the basis upon which it is being undertaken one is accused of somehow trying to sabotage the project. I agree with the Minister, and everyone who has spoken so far from this side of the House has said that they support the project. It is one of the most desirable developments in this State for a long time. However, I have a job to do. If the State will be obliged to build a port, and the Minister wants me to authorise that, I want to know that it is being done on a sound basis.

What information is before us to suggest that is being undertaken in a prudent and sound manner? We have none. The member for Geraldton is happy to cheer the Minister, and the member for Greenough has foreshadowed that he will get up and cheer the Minister too. I suggest that they are fools, because they do not know what they are doing, in the same way as during the 1980s all sorts of financial transactions were undertaken without the approval of the Parliament or, if the Parliament was aware of them, it did not have the information to make a decision on whether they were being prudently entered into.

Let us look at the impact of the gas transmission industry in this State. As I demonstrated in my speech in the second reading debate last night the gas transmission industry is one of the most important industries in the State. It has implications for not only the gas industry, but also the infrastructure for other industries. Because of the distances involved in the State an increased proportion of the cost of gas is related to transmission costs, so the gas transmission industry is more important in this State than in any other. This project and the gas transmission proposal which will be submitted under the agreement by the proponent to the Government will have a major impact on the gas transmission industry for at least a decade to come and perhaps longer. That is an important matter. The Parliament should be fully aware of those facts.

The member for Geraldton suggested that if we were to scrutinise the project we would come across information to which we should not be privy and that would be undesirable. That is the reverse of the trend throughout the world in the provision of infrastructure and support for these types of projects. The trend is towards an open, transparent market where there is accountability and everyone is aware of what the government rules are. There are no secret deals or specific arrangements for particular projects and for the most part the projects are open and subject to public scrutiny. I put it to you, Madam Acting Speaker (Ms McHale), the Minister and other members in this place that this Parliament cannot responsibly permit the Government to enter into major financial transactions of this nature without proper scrutiny.

The problem with these types of areas is that no scope exists for scrutiny by the Parliament for such major financial commitments and transactions. They are as much transactions of government as is expenditure by government departments on schools or hospitals. When the Government spends money on schools and hospitals the Estimates Committee has the capacity to scrutinise expenditure down to the tens of dollars. The Estimates Committees has budget documents and the capacity to call officers of the departments before it to scrutinise expenditure. However,

when it comes to the budgets of utilities like Western Power and AlintaGas, and to agreements which are entered into between the Government and private organisations that same capacity does not exist. On a number of occasions over the past four or five years I have advocated the creation of what I call a utilities committee that would have the capacity to examine this.

When I made that suggestion the Minister said he used to agree with that position when he was in opposition. He said that he passionately argued for it when in opposition, but now he does not because he is in a different position. Now that the Minister is part of the Executive -

Mr Barnett: I agreed that something like the Estimates Committee might be appropriate for utilities. I did not suggest there be a utilities committee, or some sort of standing or select committee. I agree there should be a process like our Estimates Committee that could scrutinise statutory authorities.

Mr THOMAS: If I were in the Minister's position I would be very careful about what I was saying. The Minister got it wrong last night. I suggest he read the *Hansard* because he was wrong. I am waiting for his apology. I hope in due course that I will receive it.

The Minister's precise words were, "If we were in opposition, I would argue for it passionately, too. I did so two years ago." I remember those words well. I have quoted them a number of times and I will again in years to come.

We have no opportunity for parliamentary scrutiny of these major undertakings. When we wish to satisfy ourselves that the impact on the gas transmission industry of the proposals which are required to be made by the proponents under the agreement are sound, when we want to know that the obligations that this State is entering into for the port and a rail link are soundly based -

Mr Barnett: How will you assess those issues in the coming months? The letting of contracts for the port may be three or four years away.

Mr THOMAS: I have no doubt. I have been around in these areas for almost as long as the Minister. I am aware that within the Department of Resources Development there will be a huge amount of information.

Mr Barnett: By around June-July there will be.

Mr THOMAS: Information will not just arrive in June or July.

Mr Barnett: Let me tell you why it will. Right now, consultants are doing the engineering and land development studies. LandCorp is looking at land acquisitions. All the hydrological work is being done offshore. Even the financial analyses are being done. About \$1m to \$2 is being spent in all that analysis so that on 30 July the State will be in a position to decide whether it wants to go ahead. At the same time, the proponents are doing a similar analysis from their perspective. Frankly, there is not much more information than I have given you. I have given you all I know at this stage.

Mr THOMAS: What the Minister knows is probably not adequate to satisfy the Opposition. It is the Minister's form to make a virtue of ignorance. When matters occur in his department he routinely says he does not know what is going on, but that he trusts the people involved and he will await the outcome. Ignorance in his eyes is a virtue. That is not something the Opposition shares. When the guillotine comes down today all 57 members will authorise the Government to enter into an agreement that will commit to hundreds of millions of dollars. It is probably a good decision. The Opposition will support it.

From what I know, I believe the project is essentially a good one. However, we are taking the Ministers' word for it, when even he does not have the information to satisfy himself on a proper basis that it is a prudent decision. The proponents of the project say that if the legislation is delayed, it will prejudice capital raising and, therefore, the notion of moving to set up a committee that will delay the legislation is unacceptable.

The Leader of the Opposition has put forward a reasonable alternative - a standing committee on major projects. The guillotine will come down and the legislation will go through the upper House before 22 May, which I am sure the Government is eager to have happen, otherwise the Bill might go to a committee and the Government will not see it again. I find the Minister's position on that untenable.

The Government's position is hollow. Last night I made some allusions to the cost inputs in this project. As I recall, gas is the big factor in this project - about 28 per cent. The next item after that is iron ore, the material that is processed, and the third is labour. Members all agree having industrial development in this State is the most desirable thing.

The most important responsibility this Parliament has is to create jobs. The viability of projects is determined by the cost of energy, the quality of the materials being processed, and the cost of labour. Because of the nature of projects

in this State, and because of Western Australia's international standing in any event, the cost of labour is not a major issue. What have members been doing in this Parliament for the past month? We have been debating legislation that was brought forward by the demented Minister for Labour Relations to try to strangle the trade union movement. What does that have to do with facilitating industrial development? It has nothing to do with it.

The impact of industrial disputation in this State on industrial development and international competitiveness is insignificant. Wage rates in Western Australia in comparison with other places are not prohibitively high. We have been debating matters that are irrelevant to the future of the State. They are simply ideological obsessions of the Minister for Labour Relations who wants to pick a fight because he enjoys a fight, as he acknowledged the other day. However, the Leader of the House and the Premier acquiesced by allowing the valuable time of the Parliament to be allocated to the ideological and demented priorities of the Minister for Labour Relations instead of to debating matters that are critically important to the Parliament.

Mr Barnett: You are not talking about the motion. You are filibustering.

Mr THOMAS: I am talking about the priorities the Leader of the House and his Government have allowed to prevail in the allocation of parliamentary time.

Mr Barnett: What does that have to do with the motion?

Mr THOMAS: The Opposition has spent the best part of a month debating legislation that is designed to pick a fight with the trade union movement and indulge the demented priorities of the Minister for Labour Relations.

#### *Points of Order*

Mr BARNETT: Perhaps the Speaker will decide whether that term is parliamentary. I think it is inappropriate to refer to the Minister for Labour Relations in those terms.

Mr THOMAS: I did not say the Minister for Labour Relations was demented, although I might think that is the case; I said his priorities were demented. I think that is a fair comment because I believe it is the case.

Mr Barnett interjected.

Mr THOMAS: The track record of the Minister for Resources Development on hearing and understanding what I say is not good. I suggest he look at *Hansard*. He got it wrong last night and he has it wrong again.

The ACTING SPEAKER (Mr Ainsworth): Order! Although the tone of the member's remarks was getting close to being unparliamentary, I accept there is a shade of difference between the reference he made and a direct reference to the Minister himself. I ask him to bear that in mind and, as has been suggested to him by members across the Chamber, to return to the content of the motion before the House; that is, to consider the question of a select committee rather than any other actions of Ministers or the Government.

#### *Debate Resumed*

Mr THOMAS: The Minister is wrong again. This motion seeks to create an opportunity for the Parliament to properly scrutinise this legislation and the obligations into which the Government is allowing the State to enter. I ask members opposite, particularly those on the back bench, to consider that they are authorising the Government to enter into commitments that will involve hundreds of millions of dollars. The Opposition will support this legislation. We want those obligations to be entered into because we believe it is most desirable for the State to do so. However, can members opposite say to themselves that they are satisfied it is being done on a sound basis? I suggest the only answer can be no because the Government does not have the information. The information does not exist.

The Minister might not have that information. If he is happy to enter into those sorts of obligations without having information, that is ultimately on his head. In discharging my responsibility as a member of this Parliament, I am not prepared to do that. These sorts of projects should be based on proper information.

The Royal Commission into Commercial Activities of Government and Other Matters made precisely that observation. It stated that time and time again undertakings were entered into by Government without the Parliament knowing what was going on or, if it knew, its authorisation was given without sufficient information being available for it to properly assess the propositions being approved. In this day and age a Parliament has a responsibility to satisfy itself that the undertakings it approves are soundly based. That information is not available at the moment.

It may well be that as a consequence of what is going on in this project, the proponents of the Kingstream project may select a particular supplier of gas transmission facilities that will determine the nature of the gas transmission industry

in this State for at least 10 years. That is a matter of enormous significance. It is probably more significant in the economic development of this State than any other matter to come before the Parliament in the next four years.

I ask government members on the back bench whether they have considered that. Did they know it was the case before the Bill came before the House? I will lay London to a brick that not one of them has considered the implications of this. It is critically important. Saying these matters are important and members must satisfy themselves that they are doing the right thing on the basis of proper information, does not mean members on this side are opposing the project. Members do not have to accept the histrionics of the Minister on this question. Members of the Opposition are doing their job in asking for proper information so that we can satisfy ourselves that the decisions made on behalf of the people of Western Australia are properly founded.

**MR MINSON** (Greenough) [12.12 pm]: I have followed this matter for a long time and I have a particular interest in it because the project is located in my electorate. As far as I am concerned, it is as though this project has come from a fairy godmother. All members who represent an electorate that has problems and needs infrastructure know a catalyst is needed to get something like this to happen. The proposal for the Oakajee port and industrial site has been under consideration for about 25 years. It was first raised briefly in the 1960s, but when the Mitchell Plateau bauxite project was under consideration this development was also considered and some oceanographic work was done.

During the time I have been a member of this Parliament the then Minister for State Development, Ian Taylor, and later Gordon Hill, did a great deal of work on setting aside Oakajee as an industrial site with the possibility of the establishment of an associated port. Of course, local people always raised the question of what would go on that site. That is always the problem. The Government does not know what will be established, but it must declare an industrial site. This State is in the fortunate position that a large operator is prepared to make the necessary investment. An Feng, Kingstream Resources and the Minister have done an excellent job working together to get this project, which a few years ago looked like a pipedream, to the point at which a state agreement has now been signed.

This is critically important and it is nice to hear members from both sides of the House support the project. However, they seem to be throwing red herrings on the trail to confuse the issue, and that may do some harm in terms of delay and confidence.

On the question of contracts and agreement Acts, when I first came to this place it seemed strange that ordinary Australians signed contracts without having state agreement Acts. I thought that a contract signed under the contract law of Commonwealth and State Parliaments was binding at law and there was no need for further Acts of Parliament. I have since learnt that it is often the case that some detail is sorted out in an agreement Act. However, more than anything, extra confidence is given to a player, particularly a large player from overseas, to invest the funds required. With that in mind, sorting out some minor details peculiar to this project will give added confidence to people from another country who are being asked to invest considerable sums in Western Australia. The Parliament is not signing a contract, but is giving its blessing and support to the agreement to provide extra comfort to the investors. That should not be forgotten.

I now refer briefly to infrastructure. I have always thought it is the proper role of Government to provide infrastructure. A clear distinction should be drawn between the provision of infrastructure and subsidies, where dollars are paid to somebody who will never repay them. In this case a port and industrial site are being established. Over time many people will use those facilities, and it may well be that in 30 years' time Kingstream will not be the biggest project in that area. The State has this beautiful land but no-one to go there. Therefore, it must help the first company to get its project up and running. A company cannot be expected to build everything and over the next 30 years other people will hook into the facilities without paying some recompense. Infrastructure is very important and it is the proper role of Governments to provide it. Only Governments can take a 50 year or 100 year point of view.

Recently the hundredth anniversary of the establishment of the Fremantle port was celebrated. Nobody questions the establishment of that port, but let us consider how it was first done. A fairy godmother did not come over the hill and offer to build the port; the people of Western Australia built that port knowing that it was needed and that in time the expenditure would be repaid many times over.

**Mr Graham:** There is a small difference because Fremantle was not built for one company. I do not disagree with what you are saying. There was a general acceptance that a port was needed in this State.

**Mr MINSON:** Anybody who read this Act in isolation would think the Government was committing to a port for one company. However, everybody in this Parliament knows that once a state of the art industrial site is established adjacent to a deep water port, people will get lost in the rush. Let us be honest and open about this.

**Mr Graham:** A lot in the north west would be knocked out on that basis and they were all built by industries.

Mr MINSON: There are some peculiar differences when comparing the north west and very isolated places with the south west of Western Australia. I know the area is referred to as the mid-west, but it is in the south west corner of this State. I will concede another difference between Fremantle and Oakajee; that is, the state of the coffers and the sharing of income between the Commonwealth and State Governments. In the 1890s people in this State had a very high per capita income which Western Australia controlled. There was great flexibility.

Mr Graham interjected.

Mr MINSON: We did not have a Commonwealth in the mid-1890s.

Mr Graham interjected.

Mr MINSON: They knew what could be produced and that they controlled it all. We hardly control anything at this stage. There were some very forward thinking people around at the end of the last century.

If the Government provides the infrastructure for this major project and if the project does not go ahead, or does not succeed, it will still own the infrastructure. A port and an industrial site will still be in place.

Mr Board: But you don't have to build the infrastructure.

Mr MINSON: That is true. Even in the worse case scenario we would still have the infrastructure if the project fell through.

Mr Marlborough: To do what with?

Mr MINSON: Other industries need industrial sites. Surely the member for Pilbara knows that this State needs a deep water port north of Perth and south of the Burrup peninsula. The only appropriate place available is in Oakajee because nowhere else does the continental shelf come in so close to the coast. An accessible deep water port will be built near a regional city which has all the amenities and a new town will not need to be built.

Mr Marlborough: There is nothing going across it but we will build it anyway. It cannot pay for itself for at least 10 years but we will build it anyway.

Mr MINSON: The member for Peel must have just come into the Chamber because I have already commented on Fremantle harbour. I cannot believe what he is saying. He is implying that we should not build anything unless fairy godmothers come over the hill. I remind him that a fairy godmother does exist and it is the catalyst in this project. Western Australia will reap the benefits of this project and others that will follow. The member is out of touch with what is happening in the Western Australian commercial world if he thinks that no other industry will be attracted to a new deep water port and industrial site located in a place that is pleasant to live with every available associated infrastructure available for families.

The whole area of Geraldton needs this project. Superficially, Geraldton is a nice place and the people of Geraldton always look happy and appear to have wonderful lives; but it has only two industries that are big employers. One is agriculture and the other is fishing. Both of those industries have declining rather than growing employment. Machinery is getting bigger and more sophisticated and there is something wrong with members if they think that the whole of Western Australia, and the Geraldton region in particular, does not need the sort of infrastructure about which the Government is talking.

A project as large as this must proceed in stages from the building of a port and the creation and zoning of the industrial site to the subsequent use of that space. Arguments for and against select and standing committees have been put.

Mr Board: There is no certainty.

Mr MINSON: Absolutely, but the trouble with those committees is that they take a window of time and look at things in isolation. They then rush statements out either to the public or the Parliament and by the time they are made they are out of date anyway.

Dr Gallop: I am sorry! I think you have the numbers in this Chamber.

Mr MINSON: We have.

Dr Gallop: So, what are you on about?

Mr MINSON: I am telling the House that I will not support a select committee into this matter. It is not appropriate. The Minister has pointed out that we have a public accounts committee -

Dr Gallop: We want that commitment given on the table.



Mr MINSON: The Leader of the Opposition can negotiate that with the Minister. I have confidence in this project because I sat in Cabinet for some time and was closely associated with it since its inception. The port and the industrial site should be created at this time.

Mr Graham: Every member in the electorate has confidence in this project.

Mr MINSON: I remind the member for Pilbara that they do not build statues of critics, so he should not expect too many statues of himself to be erected. However, one day a statue may be built in honour of the Minister for Resources Development.

Mr Graham: I seriously hope I am a pigeon!

Mr MINSON: At least the member will have finally reached his own level. The project is ready to go ahead, but before it can it has to raise the required capital and go to the stock market and its backers and say, "This is what we are going to do. This is where we are going to get our product and this is how we are going to ship it out." The project must come together gradually. I admit that there would be a risk if people were simply being given cold hard cash. But they are not. Not only do the investors have to put hard cash on the line, but also they have to put buildings on the ground before we commit to building infrastructure that they cannot take away.

That is our safeguard. We own the port and the industrial site. I do not see a risk in that for the State. We are talking about two different animals entirely when we compare what is being proposed and is happening now with what happened in the 1980s. That is why this project is safe and why the Government has confidence in it. I do not want to dwell on the past because it is history, but it is a fact that the proper role of government is to put infrastructure in place.

Mr Graham: We agree.

Mr MINSON: That is good. A select committee would not be productive because it would look at the issues in retrospect rather than in the future. It would not allow for change and would simply cast in concrete reports which people would want to look back on all the time. The Government knows that things must be fluid for the next two or three years. We may then have to shift our investment one way or the other as a result of changes. I could predict that the port will cost X dollars but it might cost more or less. We do not know. The engineering studies have not been done, but as time passes those things will be clarified.

I am pleased that both sides of the House support this project. However, it appears that we have lost our way in the debate and are trying to debate Notice of Motion No 4. We should debate the principle of that motion at another time.

Marine and Harbours, Western Power and so on, are all subject to auditing by the Auditor General and they all have to answer to the Parliament through their annual reports. So, all the arms of government that will be building and running the infrastructure on behalf of government will be accountable to the Parliament.

Mr Barnett: And audited.

Mr MINSON: Of course. Also, opposition members will have the opportunity in the Estimates Committees to question the Ministers and the top public servants who run these projects. I do not know how accountable members think those people should be and I do not know how much more accountable they can be.

The establishment of a select committee to inquire into this project would be a nonsense and counterproductive. We should focus on what we are trying to achieve. If opposition members want to debate the establishment of a standing committee to inquire into these matters, they should have debated Notice of Motion No 4 yesterday afternoon instead of clouding what we are trying to settle today. All the Government is trying to do is provide comfort to those people who are investing over a billion dollars in the State. The Government is prepared to legislate further to reinforce a contract which is legally binding under the legislation anyway.

We have tended to lose the plot a little. I urge people to get themselves refocused and recognise that there are plenty of checks and balances. It is a good project. To confuse Notice of Motion No 4 with this legislation does no-one any good at all.

**MR GRAHAM** (Pilbara) [12.29 pm]: I will make some comments about the procedures and processes that we have been through. Successive speakers have tried to point out that the Opposition opposes this project, which is not accurate. They have attempted to say that the Opposition is in some way delaying the legislation - again that is not accurate. The agreement between the proponents of the project and the State Government was signed on 12 March. The Bill was introduced and second read in this House on 19 March, and it was brought on for debate yesterday under

the guillotine. It will pass through this House by the end of business today. There is no debate about that. The Opposition can do nothing to delay it, nor will it nor does it want to.

However, the Opposition has consistently said that it has some concerns about the level of financial assistance and financial incentives being given to the project, and the Minister agrees with that. He has agreed with us about that since our spokesman gave his speech in the second reading debate. Further, by way of interjection, the Minister has consistently agreed about a number of key matters, including that this is a big deal - with a capital B and a capital D - from the big end of town. He agrees with us that there are ongoing commitments by the Government to the operations of the project and its surrounding operations. He agreed, by way of interjection and during his response in the second reading debate, that major risks are attached to the project.

If we scrape away all the rhetoric that has come forward about who is doing what to whom, we find that, in essence, this is a debate about how much government money should be provided to get a project off the ground; whether that amount is fair and reasonable; and whether it is in the best interests of the State. I am not talking about the project proponents because we have no responsibility to those companies; but we do have responsibilities to the taxpayers of Western Australia - and this Parliament is here to protect their interests.

Much of the debate that was put forward by the Minister about the need for sensitivity and timing in these agreement Acts, I know about and understand, although I do not have an economics degree. Like him, I have travelled to other countries and spoken with people and understand the arrangements that are behind these matters and the degree of difficulty involved. Although I do not understand some matters because I am not a businessman and have never been in the position of the Minister, I do understand the degree of difficulty of financing a project like this. Some of us have been lucky enough to sit down with people like Brian Loton and understand what had to be done to get some of the major banks in the world to finance the iron ore industry to get projects off the ground. I do not profess to be an expert, but I understand the degree of difficulty involved in these matters - and so does the Opposition.

The Opposition has no desire to be obstructive about this legislation, even if that were possible, or to in any way interfere unduly in this project; however, this Parliament has a fundamental responsibility, one about which Parliaments have been arguing with the Crown's representatives for 300 or 400 years, and that relates to how the Crown spends taxpayers' money. This is not a new debate; it is a very old debate. It is one of the reasons that Parliaments exist - to act as a check on how what was the Crown and is now the Executive spends taxpayers' money.

Yesterday it was, in the Minister's words, economic vandalism for us to suggest that this Parliament exercise its authority in any way, shape or form over this agreement legislation. Today it is not. In his response to the second reading stage, the Minister put forward two opportunities for the Parliament to scrutinise the legislation and the arrangements relating to state support that are an integral part of this Bill.

First, he said that the Parliament can scrutinise the legislation through the committee system. Here I am not talking about the wider committee system, but the procedural Committee system. When we go into the Committee of the Whole House, as part of the process of handling the Bill prior to the third reading, we can go through the Bill in detail. In the Minister's words, he will give what information he can on the dollars involved. In other words, he has given the Parliament an undertaking to provide what information he can on the State's support to industry.

The second option is that the Public Accounts and Expenditure Review Committee examine the matter. That is quite reasonable, especially given that not only am I the deputy chairman of the committee but also this committee has just concluded a major report about state support for industry and recommended a role for Parliament and a parliamentary committee in this work. If, as the Minister said in the second reading speech and again by interjection, the public accounts committee has the ability to look at this legislation, I ask him whether he will refer it to that committee.

Mr Barnett: It clearly has the ability if members desire to look at parts of it - for example, the public funding for infrastructure - and I have no problem with that.

Mr GRAHAM: A matter can come before the public accounts committee in four ways: First, the committee can decide of its own volition to take a matter on board, which is an arduous and tortuous task. Secondly, a matter can be referred to it by resolution of the Legislative Assembly. Clearly the Opposition does not have the numbers for that to occur. Thirdly, a matter can be referred to the committee by a Minister of the Crown. I ask the Minister whether he is prepared to refer this matter to the public accounts committee.

Mr Barnett: I indicated that I believed this Bill was good and we support the Bill and the project; therefore, I am not about to refer a piece of my legislation to a committee. If members opposite wish to do that and if the terms of reference are acceptable to the Government, I will not oppose it, so long as the terms of reference are acceptable.

Dr Gallop: What sorts of terms of reference are you looking at?

Mr Barnett: I do not have a draft.

Mr GRAHAM: Can the Minister give me an indication of the sorts of matters he would expect in the terms of reference?

Mr Barnett: I will respond when you finish.

Mr GRAHAM: I am seeking from the Minister some sort of indication about where he sees this matter going. We have limited opportunity.

Mr Barnett: When you sit down, I will respond.

Mr GRAHAM: It cannot work that way, and I will tell the Minister why. I will put the Government's position by comparison with ours. The Government wants the legislation passed, and it can do that in this House; there is no debate about that. I suspect that puts the Government in the worst possible position that it could get into; that is, if the Government does not allow this matter to go to a select committee, as mentioned in the motion, the matter will go to the upper House. The Government cannot do anything with it there because it is tied up with the industrial relations legislation. It will be dealt with in the upper House after 22 May. Will it be guillotined through the upper House as well?

The worst possible outcome would be that, after 22 May, it went to the Legislative Council, where the Government will not have a majority. It will be sent to a select committee - with Greens (WA) members. If the Minister can explain to me -

Mr Barnett: You are threatening that this Bill will be referred to a committee of the upper House. It is on the record. You are not supporting it.

Mr GRAHAM: I am saying that if the Minister were to nod his head at the right time in the right place in the next 15 or 20 minutes this legislation will be dealt with and passed by this House, and the Public Accounts and Expenditure and Review Committee, with the Minister's assistance and cooperation, will deal with it. In that scenario, the Government has the numbers. It is up to the Minister.

Mr Barnett: It is not. We have a Bill that we support. You do not support it or you want to frustrate it. You are all panicking and looking around furtively at each other. I am happy for the Public Accounts and Expenditure Review Committee to look at -

Mr Ripper: You are under pressure.

Mr Barnett: I am not.

Mr Ripper: You are.

Mr Barnett: Does anyone on this side not support the Bill? We know where we are going.

Mr GRAHAM: That is absolute nonsense. There are two responses I could make: Firstly, I could point out that what the Minister has said is unparliamentary and ask him to withdraw, but I will not; and, secondly, I could point out these arrangements are made behind the Chair daily, and when we were in government they took place hourly. Members opposite would say that if the Labor Government did not comply, they would shut it down in the Legislative Council. If this is blackmail, members opposite have 100 years' experience.

Mr Barnett: That is disgraceful.

Mr GRAHAM: The Minister should leave it be.

Mr Barnett: You are trying to achieve results in this House by making threats of behalf of the upper House. That is one of the worst examples of unparliamentary behaviour I have ever seen.

Dr Gallop: You have lost it.

Mr Barnett: I might have, but one of your members is threatening this House with what the Labor Party will do in the upper House and he is doing it in public. It is outrageous.

Mr Ripper: That is what you have done for 106 years to every Labor Government.

Mr Barnett: The member has just ensured that the resources industry will not be inviting him to any cocktail functions again.

Dr Gallop: That is a pity.

The ACTING SPEAKER (Mr Ainsworth): Order! The member for Pilbara.

Mr GRAHAM: This is a strange way of doing business. Every time I ask a question I get a tirade about how crooked and corrupt we are, about how I do not understand, will not learn or do not learn or about this being blackmail.

Mr Barnett: You are getting the hang of it.

Mr GRAHAM: I am, and I am really worried; it is giving me a real complex.

This is not a difficult proposition; that is, that the Minister recommend to the House that the matter be referred to the Public Accounts and Expenditure and Review Committee. He has said that he will not do that.

Mr Barnett: I do not see the need, but I will allow the Opposition to do so.

Dr Gallop: Does that mean that you will facilitate the proper process?

Mr Barnett: I made it clear to the Leader of the Opposition that I will not frustrate that in any way. If the terms of reference are acceptable, the Government will allow the Opposition to do that and will support the committee and its ruling.

Mr GRAHAM: I want to be clear about what the Minister will support. I am not trying to lock him into words -

Mr Barnett: You are referring it; I cannot do everything for you.

Dr Gallop: We want some agreement that it will happen.

Mr Barnett: Get your act together. It is extraordinary.

Mr GRAHAM: Here we go again - more abuse! Does the Minister want me to draft terms of reference that require the committee to pull in Kingstream Resources and open up all its books? Of course he does not. The Minister should not be so stupid. Members are trying to be constructive and helpful, but the Minister does not want that because he is now playing politics and trying to paint the Opposition into a corner.

Mr Barnett: You are well and truly in it.

Mr GRAHAM: No. The Minister is trying to paint us into a corner and is saying that we are opposed to it, but it is not working. We are interested in having the Public Accounts and Expenditure Review Committee examine the full extent of the State's support for the project.

Mr Barnett: This motion is about the establishment of a select committee. I have said that I will allow it to be referred to the Public Accounts and Expenditure Review Committee; I will not frustrate it and I will ensure that members cooperate with the committee. However, terms of reference must be properly drafted, and that is not my responsibility. I am happy for the member to present terms of reference, and I will even look at them beforehand. If they are agreeable, I will support them. However, the member should not expect me to work for the establishment of a committee in which I do not believe. Do not ask me to do your job for you.

Mr GRAHAM: I am not asking that.

Mr Prince interjected.

Mr GRAHAM: I just heard the interjection from the Minister that we should support the Bill. We did; we voted for it.

The process that the Minister has outlined for agreement Acts relies in its entirety on only the Minister and his departmental officers knowing the details of the agreement. I am not critical of this Minister for that; it has always been thus with agreement Acts. I hope that will change, because it is not unusual around the world for there to be open negotiations and agreements, where all players participate. That is where I hope we will end up in relation to resource developments. These Acts are overly complex and are run off the Terrace. I can do nothing about that.

However, while I am not happy with the response from the Minister in its entirety, in the past 24 hours, despite what members opposite are saying, this Parliament has covered some ground. As an old union official I am used to having people say that they agree in principle but that agreement is subject to the detail. Of course, the devil is in the detail and one never arrives at an agreement.

I hope the Minister will apply some goodwill to the drafting of the terms of reference so that we arrive at a sensible, rational way of doing business in relation to agreement Acts. If that happens with the undertaking the Minister has given, I am sure there will be no need for a select committee. If the Minister cooperates and demonstrates some goodwill in relation to the drafting of the terms of reference, there will be no need for it to go to a select committee.

There can be no dispute about the right of the Parliament to examine the state support component. We have had umpteen reports in the past 30 years pointing out that that is our fundamental role. The Australian Public Accounts Committee still meets Australia-wide and pursues that notion.

**MR BARNETT** (Cottesloe - Minister for Resources Development) [12.50 pm]: In view of the time, I seek leave to continue my remarks at a later stage of this day's sitting.

[Leave granted for speech to be continued.]

Debate thus adjourned.

[Continued on page 2715.]

#### **STATEMENT - MEMBER FOR PERTH**

*Raoul Wallenberg*

**MS WARNOCK** (Perth) [12.51 pm]: On 16 March this year, I attended a wonderful outdoor ceremony in Dianella when the City of Stirling dedicated a park to the memory of the wartime Swedish hero Raoul Wallenberg, who is presumed to have been killed in a Soviet prison exactly 50 years ago. Wallenberg has become a legend - a righteous gentile - among Jews around the world for his work in saving thousands of Hungarian Jews from Nazi death camps in the last 18 months of the Second World War. Various countries have celebrated this man's extraordinary courage and humanitarian qualities by making him an honorary citizen, by establishing monuments to him, and even by issuing a commemorative stamp. I wrote to my colleague Hon Kim Beazley, the Leader of the Federal Opposition, to request that Wallenberg be made an honorary citizen of Australia, and I have been told today that apparently that is not possible. That is a pity, but I am determined, nonetheless, to find a way to achieve some further recognition for this notable human being, and I will be seeking bipartisan support to do exactly that. Why Wallenberg, and why now? Apart from the fact that this is the fiftieth anniversary of his presumed death, it is quite simply that I believe that in 1997, Australia needs to celebrate the noble life of someone who made no judgment about his fellow human beings on the basis of race or religion, and who risked his own life to save the lives of others. Never has a stand for tolerance and against bigotry been more important. At a time when some political figures are seeking to stir up dark forces in our community - the same dark forces that caused anguish half a century ago - we must stand for what is morally right.

#### **STATEMENT - MEMBER FOR SOUTHERN RIVER**

*Atwell Reserve Facilities*

**MRS HOLMES** (Southern River) [12.52 pm]: I make this statement on behalf of my constituents in Southern River and in total support of the City of Cockburn and its application for funding for the Atwell Reserve facilities in Jandakot. Atwell is a new and rapidly growing suburb, which currently has no facilities, and funding of the reserve would provide much needed facilities for sport. The project involves the city of Cockburn, LandCorp, South Fremantle Football Club and the West Australian Football Commission Inc. I am advised that the Department of Education strongly supports the project because of the reserve's close proximity to the proposed Atwell senior high school. This will create an excellent opportunity for a future school for this national sport. The reserves management structure would also provide for excellent access to a variety of other local sporting groups. I have been involved in the preparation of this project, and I believe it is extremely worthwhile and necessary for the community. The City of Cockburn has a population of 60 000 and has received little support from Government by way of grants. As such, I have sought support from the Minister for Sport and Recreation and asked him to give favourable consideration to the city's application in the next round of funding, which is due in the middle of the year.

#### **STATEMENT - MEMBER FOR PILBARA**

*Patient Assisted Travel Scheme*

**MR RIEBELING** (Burrup) [12.53 pm]: I bring to the attention of this House a problem which exists in the north of the State with regard to the patient assisted travel scheme, which has been debated in this House a number of times. In the past few months, two cases have been brought to my attention which highlight the inadequacies of the current PAT scheme. They involve two children, aged three and six, who required dental treatment which could not be provided anywhere in the Pilbara, and because those children were denied access to the PAT scheme, their parents had to pay for their children and themselves to fly to Perth for that treatment. The condition of one of the children, Jody Hewitt, was such that the surgeon who undertook the surgery said that had she come in a week later, she would have developed blood poisoning and her life would have been at risk. However, the health system cannot respond to such serious cases because the guidelines that the Minister is administering will not allow children to receive dental

treatment under the PAT scheme, even if that treatment is for a life threatening condition, as was the case for Jody. These are not isolated cases, and I urge the Government to have another look at the PAT scheme.

#### **STATEMENT - MEMBER FOR VASSE**

##### *Busselton Aquatic Centre*

**MR MASTERS** (Vasse) [12.55 pm]: I wish to publicly praise the voluntary contributions by a number of people to Project Splashdown - the construction of the new Busselton aquatic and recreation centre. It is important to recognise that in country areas more than city areas the community gets behind such major projects. For that reason, I wish to publicly acknowledge Alec Meares of the Busselton Survey Office; Mike Ashbolt from BSD Consultants; two haulage companies, Giacci Brothers and Catalanos; a mineral sands company, RGC mineral sands, which provided clean sand for fill; and Colin Piacintini and Son which provided \$20 000 worth of site works. To a small degree, construction work will be provided by Pindan Constructions. I also acknowledge the contribution by Phil Curnuck from Dickson and Curnuck, who will assist. Although I hope that the Minister for Water Resources is not listening, I wish to acknowledge the contribution by the Water Corporation to the Busselton aquatic and recreation centre because it has agreed to waive the head cost charges and to offer a concession on rates for water supplies and other activities for the centre.

#### **STATEMENT - MEMBER FOR PEEL**

##### *Tourist Buses - Parking*

**MR MARLBOROUGH** (Peel) [12.56 pm]: I wish to bring to the attention of the House, particularly the Minister for Tourism, some concerns which were expressed to me last weekend by sections of the tourism industry. I was at the Perth International Airport last Sunday picking up my mother, who was returning from an overseas trip, when I was approached by a number of tour bus operators. They explained their plight. I was told that in the city there is no appropriate parking for tourist buses outside the international hotels. This situation is causing a great deal of difficulty for passengers who require and expect a high degree of service on arrival in Australia from Tokyo, Hong Kong, Kuala Lumpur, or Singapore. On Sunday I counted seven coaches at the airport, and noted that the parking space was inadequate and not properly laid out. The coaches carry more than 40 passengers and when they enter the city there is nowhere for them to park. They must compete with other vehicles, and in many instances the drivers are told to move the buses, and fights can occur between the hotel and bus operators. I understand that the tour operators have taken up the matter with the Premier but so far he has declined to intervene. This is an urgent situation for tourism and it should be rectified as soon as possible.

#### **STATEMENT - MEMBER FOR JOONDALUP**

##### *Granny Spiers House SKIPS Program - Mother of the Year Award*

**MR BAKER** (Joondalup) [12.57 pm]: I am proud to advise the House that the Granny Spiers House SKIPS program has received a nomination in Australia's 1997 Mother of the Year awards honour roll category. This is a national award. The special kids integrated support program meets weekly at Granny Spiers House in Heathridge and focuses on disabled children and their parents. The parent group provides support, friendship, information and assistance in accessing resources and is a normalising experience for parents of children with disabilities. It also provides training by volunteers supervised by an occupational therapist, together with a play group and respite and emotional support. The SKIPS project was the brainchild of the welfare coordinator, Mary Stewart, and co-facilitator, Madeleine Hicks, and has won accolades from peer groups and state and federal government agencies. The SKIPS program receives operational funding from the State Government each year. I hope that it will continue to receive that funding. In short, the SKIPS program is one of only two finalists for Australia's Mother of the Year award, the winner of which is to be announced tomorrow on Channel 9's "Midday Show." I will be hosting a luncheon for my fellow members of the group tomorrow and I look forward to receiving the support of all members of this House in wishing the SKIPS program every success.

*Sitting suspended from 1.00 to 2.00 pm*

**[Questions without notice taken.]**

#### **IRON AND STEEL (MID WEST) AGREEMENT BILL**

##### *Referral to Select Committee*

Resumed from an earlier stage of the sitting.

**MR BARNETT** (Cottesloe - Minister for Resources Development) [2.36 pm]: I intend to make only a few brief comments about this motion that the Bill be referred to a select committee for consideration and report. For some

of the newer members of Parliament I will restate a few salient principles about legislation and, in particular, state agreement Bills. I repeat: By any standard this is a large and important project. Arguably, along with the goldfields gas pipeline, it is one of the two most important projects we have seen in this decade in Western Australia. At the moment it is probably the most significant industrial project in Australia.

It is also important because it is in the southern half of the State and allows major development in the mid-west region. It allows substantial value adding to iron ore, something that has been dreamt of for 30 years, and now the opportunity is in place. Finally, it is important because it provides the justification for the State to make a decision to invest in major public infrastructure in the form of an industrial estate, rail extensions and a deepwater harbour.

Members opposite have said repeatedly that they support the project, although that statement seemed to lose some sincerity as the day wore on. At the same time they want to set up a select committee. Those opposite have not only put out a press release to that effect, but also have threatened that if they do not get a select committee in this place, they will seek to have one in the upper House. In his comments before the lunch suspension the member for Pilbara made that quite clear parliamentary threat.

Mr Graham: I did not. I said that from your point of view that would be the worst possible outcome. I didn't threaten you. Don't put words in my mouth. If you do, we can get the *Hansard* and you can apologise during these comments.

Mr BARNETT: There is no doubt in my mind, from the tone of the comments made, the member for Pilbara and others have made an implied threat of problems in the other House. What message is this motion sending out to the proponents of this project, their investors on the stock exchange and their bankers?

The first message is one of delay; there is no doubt that setting up a select committee will delay the passage of this legislation. It will certainly delay, if not scuttle or destroy, capital raising and it will damage confidence. That will happen; it is inevitable. Members with any commercial experience will be very conscious of the sensitivity of commercial markets about issues such as this.

A select committee has the power to call evidence and witnesses, to move from place to place and to request documents. If a committee is set up with those powers, can members imagine what message will be heard? We will be saying, not only to Kingstream Resources but also to any other proponent - particularly if we accept the Leader of the Opposition's proposal to establish a standing committee to inquire into these projects - that they could be called before a parliamentary committee to be questioned or challenged. Their bankers, stockbrokers and investors could be called and asked for details of financial statements, credibility, contracts, confidential commercial information and so on. This would make that possible.

Members might say that that is not a reality and that the proponents should not worry. However, politics is about perception, and the reaction in the marketplace and the investment community will be to shy away. If they do not because the project is inherently good, the other and more dangerous outcome - this is the difficulty for this Government and successive Governments - is that proponents will not make information available to government.

Dr Gallop: Do you think we should have a Public Accounts and Expenditure Review Committee?

Mr BARNETT: It is already difficult in some projects - but not in this case - to get the sort of information the Government needs to make responsible public decisions. That occurs, in part, because of the normal pressures of reporting requirements under the stock exchange rules, the requirements of banking, and protection under patent and intellectual property rights. Freedom of information legislation has resulted in people believing that, if information is given to government, it is accessible. In fact, on one occasion, while negotiations were going on with one company, another company was using FOI legislation to get commercially confidential information out of government that would affect another player. That is the world we live in. If we were to set up a standing committee - even if it were not used - the understanding in the marketplace would be that this could happen. That would affect not only investment and confidence -

Dr Gallop: That could be argued about every inquiry and so on ever established.

Mr BARNETT: I know; I agree.

Dr Gallop: That is a ridiculous argument.

Mr BARNETT: It does relate to every inquiry. However, we are talking about state agreement Acts, and they are special. They have worked well for this State. We are unique in Australia, and probably internationally, in relation to the standing of our agreement Acts. Many major investors, particularly those from the Asian region, and their bankers look for the security of a bipartisan state agreement Act. Sometimes we wonder why, but they want it.

If we set up a select or standing committee to inquire into this agreement Bill, we will undermine one of the great advantages this State has in the security it can give investors. It gives them the confidence that there is bipartisan support. One of the great things about state agreement Acts - this is to the credit of successive Governments of both political persuasions - is that not once since the 1960s has a Western Australian Government reneged on such an agreement. That is well known and well respected internationally. We stand almost alone in the world in that regard. We have changed agreement Acts by mutual consent - although on occasion some parties have been reluctant. We have always had the power to renege, but we have never used it. I am not suggesting that there is any questionable intent here, but innocently and naively - and I do not mean that insultingly -

Dr Gallop: Yes you do.

Mr BARNETT: I will withdraw; I do not mean that.

Setting up a committee to inquire into agreement Acts, and particularly a standing committee, would undermine the role of and confidence in state agreements and our ability to promote investment and security of investment in this State. I did get upset last night and this morning, and I am still upset because I do not believe there is an understanding in this Parliament, perhaps on both sides and among newer members, of the consequences of this action for Western Australia. It will affect this Government, this project, future projects and future Governments. That is why this Government will not support the establishment of a select committee to inquire into this project and a standing committee to inquire into all major projects. We will not open up investors, proponents, their information, backers and clients to parliamentary scrutiny. Some members opposite have expressed it -

Dr Gallop: What about retrospective scrutiny?

Mr BARNETT: Members opposite are perfectly entitled and have a responsibility to scrutinise the role of the responsible Minister and the Government in relation to the expenditure of public money.

Dr Gallop: Exactly.

Mr BARNETT: I do not have a problem with that. As I suggested last night, I do not have a problem with expenditure on the port, the rail expansion or whatever else being scrutinised and analysed by the Public Accounts and Expenditure and Review Committee.

I am not being negative but, before everyone gets too excited about how that might proceed, members should realise that there is very little to scrutinise at this stage. If the project goes into construction in, say, 1998 - which would be a good result although the proponents would like it to be sooner - the commitment is to have a port operational five years later, some time during 2003. On that basis, construction of the port would probably start in 2001 or 2002 and construction of the other infrastructure would commence in 2002. In other words, some time after 2000 the Government is likely to be calling for expressions of interest or tenders and so on for those projects. There is nothing concealed; there will be very little to scrutinise at this stage because there will be no contracts. We are not in that position yet and we will not contemplate it until the steel mill is into serious construction. All the Public Accounts and Expenditure and Review Committee can scrutinise is the preliminary work that has been done.

Dr Gallop: Surely the Public Accounts and Expenditure Review Committee is in a position to establish the potential liability for taxpayers?

Mr BARNETT: It might be able to.

Dr Gallop: It must be able to. If you are committing to something now and you do not know what the liability will be, that is a serious problem. Surely you know the potential liability.

Mr BARNETT: I will know -

Dr Gallop: You do not know now.

Mr BARNETT: The agreement Bill has been introduced in this place. As I explained previously, we are now going through the fatal flaw stage. The indications are that there is nothing to pull it apart. We then go through the feasibility and technical studies stage, and we do not yet need to let tenders. Kingstream Resources does the same thing, and holes are being drilled in the ground and the seabed to get an estimate at this stage. If everything looks okay, we proceed.

In July we will have the results of the pre-feasibility and feasibility studies, as will Kingstream. If at that stage we find all the numbers look good and both sides are happy, we can go ahead. If from one side or the other the numbers do not look good, either party can walk away. Even if the numbers look good but either party has had a rethink and decides that it does not want to go ahead, it can walk away. It is only then - in July - that we are committed, but only



to spending once construction starts, and then only to have the construction completed five years later. There are sufficient safeguards.

The point I am making is that in July I will have the results of many studies currently being undertaken. Some of that information might be commercially confidential. I do not see why it would be. Most of that material would be engineering and technical material. I do not see any reason that that material would not be available, and the public accounts committee could look at that. We would then have a better feel about port design and port costs. We would probably have some pretty good financial modelling about different ways of funding the port. I stress to the Leader of the Opposition that I am happy for the public accounts committee to look at that. All it can really do at this stage is comment on the process and guess the scale of the issues being looked at, because even though the best guesstimate at this stage is that the port will cost \$260m, we will not know the exact cost until we go into the market in around 2000 and invite tenders for the port.

Dr Gallop: On the basis of what you have just said, if I read you correctly, the Government of Western Australia will have a state agreement for this project but will not know what will be the potential liability. That is what the committee can examine.

Mr BARNETT: We have a pretty good idea. I outlined to the best of my knowledge what the figures were.

Dr Gallop: It is a pretty open-ended commitment.

Mr BARNETT: We are working on \$260m for the port. Some proponents in the private sector are saying it will be close to \$190m, others are saying it may be more. There are ports and ports; we can have a staged development, and different levels of specification. In July, we will have a far better feel, because we will have determined the rail route; we will have received the results of the environmental assessments and we will know whether problems have occurred or modifications are necessary; we will have received the results of some drilling on site and offshore; we should have some prospective port designs; and we should have information about the costs of quarrying the material. We will not have every answer because we will not know until we go out and test it by tender.

Dr Gallop: They will be seeking money on the basis of the state agreement.

Mr BARNETT: Yes they will. They have an equally difficult task in determining their technology, final plant design, and the like.

Dr Gallop: They have to bear the risk of your not agreeing at the end.

Mr BARNETT: No they do not.

Dr Gallop: That is what you just said.

Mr BARNETT: I did not. By July, I hope it will have been decided that both parties will go ahead. They will know then that five years after they commence construction, however much later that may be, a port will be in place that they can use. We will not know the exact cost of that port, even though we will have a pretty good idea, until we get into the marketplace. I am pretty optimistic. We will not make the final decision about how the port will be funded until that stage, because we will then have examined the commercial opportunities. Several opportunities exist. We might say to the private sector, "Build the port and we will come to some arrangement to meet the operating shortfall for a period of time", and there would be an allocation of risks. That would be a complex negotiation and a complex contract. Another opportunity might be, if the Government was travelling well financially, to build the port and let the Geraldton Port Authority operate it, or contract it out to a private operator. We might put a lump of capital into the port and not require a return on that capital until the port was profitable, and then allow the other partner to buy out the Government. All of those options are available.

Given the reaction in the Parliament and the political environment that surrounds this project, the most likely option now - I do not think this is the best commercial decision - is that the Government would fund the port, or add to state debt, as it were, as it funds roads, hospitals and schools, would let a private sector operator operate the port, and would sell it when the market allowed the Government to retrieve its money.

Dr Gallop: What is wrong with having retrospective auditing by a parliamentary inquiry, on behalf of the taxpayers?

Mr BARNETT: What does the Leader of the Opposition mean by retrospective? What time frame?

Dr Gallop: The Government of Western Australia would decide to enter into a certain contractual arrangement to give state support to a private corporation or corporations, or a range of corporations, and a parliamentary committee would then examine the degree of financial investment in that project so that when people voted at an election they would know what the Government had done. That is the sort of thing a parliamentary committee could do.

Mr BARNETT: I do not have a problem with the public accounts committee looking, at the appropriate time, at the arrangements for the port. I think it should do that, and those arrangements will be quite open and up-front. However, I do object to any notion, whether intended or unintended, of select or standing committees of this Parliament investigating projects and proponents, calling witnesses and evidence, and requiring documentation, because that would destroy our ability to attract investment in this State; and if members opposite did ever get back into government, they would regret that.

Dr Gallop: I reminded you this morning that we support the second reading of the Bill.

Mr BARNETT: Yes, but the behaviour of members opposite within the Parliament indicates otherwise. I am willing to bet that that press release has already gone around the banking world.

Dr Gallop: Rubbish.

Mr BARNETT: It moves that fast.

Mr Grill interjected.

Mr BARNETT: The best thing the member for Eyre could do is back off.

I went to Taiwan as a Minister to undertake an element of due diligence: I wanted to see An Feng and the scale of the company on the ground for myself. I also wanted to talk to other industrialists and political leaders. There was a bit of adverse publicity in *The West Australian* about the project - fair enough - and I was stunned to see how quickly that whizzed around Taiwan; people knew about it before I did. Do not underestimate the ability of international capital markets to react to this sort of event.

Mr Marlborough: Was this last week's trip to Taiwan?

Mr BARNETT: No. It was earlier in the year, I think in January.

Mr Graham: That is where the transformation took place! Two years ago, you were arguing that there should be no government involvement in these projects.

Mr BARNETT: I made it very clear in my maiden speech when I came into this Parliament - I do not expect anyone to read it - that the economic role of government is in the provision of infrastructure for people, for industry and for the State. I have never shied away from that. That is the Government's prime economic role.

Dr Gallop: You also argued it should be subject to rigorous cost benefit analysis.

Mr BARNETT: I do not object to that.

Mr Graham: That is what we want to do.

Mr BARNETT: Members opposite can do that if they like.

I said that at first blush, this project has a net present value of \$5m, but if members opposite were to do a cost benefit analysis of this and it came out negative, I would still argue, so long as it was within reason, that the State should do it, that it should look at the big picture, and that it should build a future for the children who were in the gallery earlier.

[The member's time expired.]

**MR GRILL** (Eyre) [2.59 pm]: Mr Speaker, I seek leave to withdraw the motion. The Minister has given certain undertakings to the Opposition in respect of referring this matter to the Public Accounts and Expenditure Review Committee, and he has also indicated that he will cooperate with that committee.

Motion, by leave, withdrawn.

#### *Consideration in Committee*

**MR GRILL** (Eyre) [3.00 pm]: I move -

That when considering schedule 1 of the Bill, the Committee of the Whole shall consider the agreement contained in the schedule in the following groups -

Clauses 1 to 10; clause 11; clauses 12 to 19; clause 21 and clauses 22 to 42, or in such other groups as the Committee may determine, but only one question shall be put in relation to the schedule

We are endeavouring to allow the Committee to debate the agreement clause by clause. Normally, that would not be allowed.

Question put and passed.

*Committee*

The Deputy Chairman of Committees (Mr Ainsworth) in the Chair; Mr Barnett (Minister for Resources Development) in charge of the Bill.

**Clauses 1 to 3 put and passed.**

**Clause 4: Agreement ratified and implementation authorized -**

Mr GRILL: The Minister has indicated that time is of the essence for this agreement, and that there is a critical path for the proponents to follow to finance the project. The project is conditional on a number of matters set out in clause 4(1) of schedule 1, which reads -

The Proponents shall undertake field and office engineering, environmental, heritage, marketing and financial studies and other matters necessary for the purposes of this Clause and to enable them to finalise and to submit proposals referred to in Clause 5.

Can the Minister say how the process is proceeding and to what extent we can be assured that these hurdles are being overcome?

Mr BARNETT: The proponents intend to go to the capital market next week to raise equity. If that is successful, and I hope that it is, the bank will study and raise the debt finance.

The engineering, environmental, and heritage studies are progressing according to the time frame. I understand that the proponents hope to have all the necessary approvals and funding, and to fulfil the technical requirements, by the end of June. That is a tough task, and the proponents are putting in large efforts and resources. Similarly, the Government is trying to match that timetable with the things it needs to do.

Mr GRILL: Subclause (4) refers to the Aboriginal Heritage Act and compliance with the provisions in section 18 of the Act. Anyone who knows about resource development projects will understand that section. As I said earlier, definite undertakings were given to the Aboriginal custodians at Talling Peak during negotiations to obtain a section 18 approval under the Aboriginal Heritage Act. A very trusting Aboriginal group came to Perth and to other places to negotiate on the project. The group has a legitimate heritage claim over Talling Peak, and retained a number of sacred artefacts stored at the heritage sites at Talling Peak. The mythology and other accoutrements relating to Aboriginal culture to make a heritage site were present. This was acknowledged before the Museum Sites Committee, which considers these matters. A number of Aborigines made the effort to travel to Perth to attend a hearing of that committee, but that was not the only negotiation in which they were involved. There were meetings on site at Talling Peak, at Mullewa and at Perth. Had the group wished to exercise its rights under the Aboriginal Heritage Act, it could probably have ensured that the Talling Peak project would not proceed.

I have been involved in other legitimate claims for heritage sites with different groups of Aborigines in different parts of the State. I have supported them and in the main they have been successful. Unfortunately I have also been involved in a peripheral sense with a number of claims that were not legitimate but were the figment of someone's overactive imagination. In that sense those who put forward the heritage claims did their cause no good, and it led to scepticism in the wider community. I speak about the claims put forward in respect of Yakabindie. That process was shameful. However, the Talling Peak process was different; it was a legitimate claim. The Aboriginal people had every right to pursue the claim and to deny a section 18 certificate. They did not do that. Certain undertakings were given to them, such as jobs and other benefits to the wider community. They were not personal benefits, and I applaud them for that. They did not want to line their pockets; they wanted something for their community members and for their children, principally employment.

Has the Minister been made fully aware of that process? Is he aware of the sacrifices that the Aboriginal community made? Is he aware of the undertakings given to the Aboriginal community through their elders? What provisions have been made to ensure that the undertakings are met? That is, will the proponents keep their promises?

Mr BARNETT: I do not have the member's detailed knowledge of the Talling Peak situation. My advice is that an arrangement was negotiated at Talling Peak prior to 1994. That has been an amicable arrangement and not a source of contention. It is a private agreement between the proponents and the local Aborigines. The Oakajee site is freehold land that has been purchased or acquired by the Government. We will be conscious of Aboriginal heritage issues, although I am not aware of any in particular. Those issues will go through the normal process. To my

knowledge the Talling Peak situation is well in hand. It is being handled by the proponent and the Government supports the process. I hope the proponents honour the agreement. I agree with the member that it is important they do that.

Mr BRIDGE: My knowledge of this matter is very small because I have just walked into the Chamber. However, I overheard the member for Eyre seek from the Minister some assurances about undertakings to the group of indigenous people to whom he referred. He spoke highly of the satisfactory outcome at the Talling Peak project.

I ask the Minister to tell us that he not only understands matters are in hand and that the approaches by the proponents of this project and others have gone along smoothly but also, particularly because of the views put forward by the member for Eyre, to give a positive indication to me or, preferably, the member for Eyre.

With due regard to the Minister's interest in ensuring this matter is dealt with sensibly, confirmation in his response was not as forthcoming as I would like. I ask that he undertake to give a clearer indication that he will go further than saying he understands from advice he has received that matters are in hand and that the issue is being dealt with in the way the member for Eyre thought they should be.

Mr BARNETT: If the member for Kimberley thought I was less than forthcoming, it was because I do not have the knowledge, not because I am withholding information. If it will satisfy him, I am willing to contact the proponents and write to both him and the member for Eyre on the status of the Talling Peak situation. The proponents may write directly to him.

#### **Clause put and passed.**

#### **Schedule 1 -**

The DEPUTY CHAIRMAN (Mr Ainsworth): In accordance with the instruction given to the Committee I will take the clauses in groups and put one question at the end of the schedule.

#### **Clauses 1 to 10 -**

Mr GRILL: Clause 5 sets out a number of works that will be undertaken by the company for which the company must submit proposals. That process is one that we can support. A brief explanation was given in the Minister's second reading speech and further information provided during the debate about some of those matters. However, the Minister indicated during his response in the second reading debate that the Mt Weld deposit had been purchased by the proponents.

Mr Barnett: If they have not purchased it, negotiations are underway. They are in the process of acquiring that deposit. It will require my agreement to transfer those reserves. The proponent intends to acquire Mt Weld. Unless somebody can provide me with a reason to the contrary, I will not stand in its way.

Mr GRILL: That deposit is larger than the other three mentioned in the agreement to date. I thought the Mt Weld deposit was of approximately 126m tonnes.

Mr Barnett: It is about 40m tonnes at 60 per cent haematite with further deposits of lower grade ore.

Mr GRILL: What impact will the inclusion of that deposit have on the overall project? How is it envisaged that will tie into the current project? What level of state support will be given to tying in that deposit? Will it be transported by road or rail? Is there any intention to extend the rail network to embrace the deposits?

Mr BARNETT: It is for the future. No request has been made for any government assistance. There is probably no intention to provide it. Obviously if Westrail were the user and a Westrail line were to be built, there would be some discussion. Interestingly, because those reserves are to the north they incrementally get close to the Pilbara reserves. In the longer term at some stage in this project, particularly associated with an expansion, the question will arise whether the Pilbara should become a source of ore for the steel mill. It could be a rail source.

Mr GRILL: Is the Minister suggesting a rail link between this deposit and the Pilbara?

Mr Barnett: It could eventuate. I am not suggesting it would be in the short term. As the project continues and grows, particularly if rail is extended to the area to the north, it might be logical that a further extension take it to the Pilbara. That is well beyond the scope of what is being looked at seriously now.

Mr GRILL: Clause 6 sets out a process which envisages some possible contention between the Government and the proponents in relation to the proposals that come forward, and indicates a process whereby that contention can be resolved. One of the proposals is an arbitration award. At this stage, in respect of the proposals before the Minister, are there any areas of contention? Are there any disagreements on the proposals between the proponents and the

Government? Are any matters causing friction or difficulty in the resolution of the proposals? It is a wide-ranging question and I would be grateful to the Minister if he answers it.

Mr BARNETT: When the member opposite asked whether any events were causing friction my advice was, "Yes, every day." That is not a derogatory comment. The member knows that in a major negotiation like this there are hundreds of issues. Obviously the company will try to maximise its position and the State will try to maximise its position. I am sure there will be healthy debate on the port, its design and the construction timetable. In that sense there are no matters which are extraordinary other than that this is a large project. The Government's role in infrastructure is far greater than in other projects.

The reference to arbitration is standard in agreement Acts. Until now there has not been a case in this State where an agreement Act has gone to arbitration, although at present there is a dispute about the way in which royalties are calculated in respect of the Argyle Diamonds mine. It could end up in arbitration. Historically, the differences have been resolved by agreement. Perhaps that record is about to be blemished mainly because of the complexity of the issue and there is a large difference in the nominal value in what the royalties would be worth.

Mr GRILL: I refer to clause 8 which deals with mining tenements. What is the status of the mining tenements for Blue Hills and Koolanooka; in whose name are they held; to what extent will this agreement change the status of those tenements; and is the Government conferring any real additional benefit on the company by virtue of this agreement?

Mr BARNETT: I am advised that the Tallering Peak tenements are held under the Mining Act. The Blue Hills and Koolanooka tenements could come under the agreement Act. They were held by Kingstream Resources NL. I do not know which entity they are formally with now, given the amalgamation between Kingstream Resources and An Feng (Australia) Pty Ltd. To the best of my knowledge they are with Kingstream.

Mr GRILL: Clause 9 is the royalty clause and it sets out a decreasing rate of royalty as the iron ore is processed. This was raised yesterday in the second reading debate. The relevant rate of royalty in respect of this operation, irrespective of the reduced rate of royalty that might apply to the value-added product, confers a lower rate of royalty on the mined product - in this case iron ore - in relation to the ore that might be mined in the Pilbara or at Koolyanobbing. I also understand from the second reading debate that that royalty rate reduction is about 15 per cent. How is that 15 per cent reduction calculated and on what basis is it justified?

Mr BARNETT: This project will be a value added project and it will mine iron ore. Unlike the other iron ore projects it will not export iron ore. Pilbara iron ore producers are charged an ad valorem royalty on their sales of iron ore. The price of iron ore is effectively set in Japan. The iron ore from this project will not be exported; therefore, as it is not being sold, there is no price. It is necessary to impute a price to calculate the royalty. The imputed price is based on the free on board price for sales to Japan from the Pilbara. Recognising this ore will not be from the Pilbara, discount must be applied to reflect what would, in reality, be the return to an iron ore miner if Tallering Peak was to be mined for export. It will reflect the relative location disadvantage compared with the Pilbara in accessing the Japanese market. If we were not to do that, the project would be paying a higher royalty on iron ore than the Pilbara iron ore mines, and that would not be desirable. That is the rationale and it has been calculated at 15 per cent.

Mr GRILL: The Minister has said that this project will not be a fly in, fly out operation and the Opposition supports that. Geraldton has been and still is a cost effective place for new construction. It is pleasing that the whole project can be based in that area. Does the Minister know how the work force will be divided up, where they will live and where any new settlements will be located?

Mr BARNETT: I cannot answer the part of the question relating to the occupational break-up of the work force. Geraldton is a large developed regional centre with opportunities for further urban development. No particular location has been suggested as a company suburb. I expect that the new work force will assimilate within Geraldton, buying existing houses or residential land and building on that.

During the construction phase short-term accommodation will have to be provided for the construction work force; however, the member's question concerns the operational work force. Planning agencies will go through the normal process of projecting population growth and residential land developments are anticipated. The same issue arose in Port Hedland and was not easy to manage because the Government and the company had different expectations. That was a critical problem for Port Hedland because it is a smaller community and it had first to settle native title issues. I do not expect problems of that type in Geraldton, but I concede that it is important that the work force will be locally based.

**Clause 11 -**

Mr GRILL: This clause deals with the establishment of the Oakajee port and industrial estate. The Minister conceded during the second reading debate that this is an important part of the Bill.

Who are the consultants who are doing the feasibility study on the new port and industrial estate? When were they engaged? What Government input has there been in the feasibility studies? When does the Government expect to get hard data that could be made available to Parliament or a parliamentary committee on the feasibility of the port and the port costs?

Mr BARNETT: The consultancy work is being done by a group called Port and Harbour Consultants Pty Ltd, who were appointed in November 1996. A wide range of Government agencies are also involved in the work. The Government expects to get the results of that work prior to its making a final decision in July. I hope after that point we will be able to make the information available to the Opposition. As yet no-one has seen that work so I do not know what information will be available, but there is no desire to keep it secret. A summary in some form will be made publicly available.

Mr GRILL: I draw the Minister's attention to what appears to be a conflict between the information he gave us today concerning the Oakajee site and the information the Opposition received from the company about coming to an agreement on development of the site.

The company told the Opposition today that if Oakajee did not proceed, Narngulu could be the site and the entire project would not be jeopardised. However, in his response today the Minister said that the situation was far less clear than that and that in the event the Oakajee site was not appropriate, a return to Narngulu would probably not be appropriate. There even seemed to be some misunderstanding of the approvals that had been given for Narngulu. The Minister also said that approvals to produce 1 million tonnes of steel had been granted for Narngulu. The company seems to be under the impression that it would have approval for 2.4 million tonnes at Narngulu in any event. The Opposition hopes that the port on the Oakajee site proceeds, but in the event that it does not - this question was raised by the member for Maylands last night - is there a conflict between the Government's position and the proponent's position? The Opposition hopes that a return to Narngulu will not occur for a range of reasons, but the conflict that I allude to should be resolved.

Mr BARNETT: The project at Narngulu has approval to produce 1 million tonnes, but the environmental assessment of Narngulu is not complete - but it may achieve it.

Mr Grill: When?

Mr BARNETT: In the next few weeks. The environmental assessments will probably be concluded by then.

Mr GRILL: At Narngulu?

Mr BARNETT: Yes, that is my understanding.

Mr Grill: For 2.4 million tonnes?

Mr BARNETT: Yes, but it does not have that approval at this stage. There are also some wider issues for Narngulu, which I referred to before when I spoke about the implications for the port, the southern access corridor, transport and the like. I believe the Narngulu site is facing a difficult situation for a variety of reasons, but approvals are being pursued.

#### **Clauses 12 to 19 -**

Ms MacTIERNAN: Clause 15 relates to local content provisions, which are a crucial part of this arrangement. Before the Opposition supports this massive infrastructure development it wants to be assured that the project will produce value for money; that is, that good skilled jobs are provided for Western Australians and that Australian and Western Australian manufacturers play a strong role in the construction and development of the plant.

I do not think the provisions are very strong or that they will be enforceable. They are really motherhood statements. The provisions in the North West Gas Woodside Agreement 1979 are almost identical, particularly in relation to what I see as a key provision; that is clause 15(1)(d), which relates to the construction of the plant. It states that companies should do what companies should do; that is, look at the prices of the various suppliers and manufactures. In effect, it does not give any preferences at all. It says that where the price is better it should be given an instruction. I am sure the company would find it very useful to have this advice from the Government; that is, when a better price can be obtained from a local manufacturer, the local manufacturer should be used. I hardly think that adds anything to commercial realities. It says that, even when the price is equal, the local manufacturer should be considered. In my view, that is not a very strong local content rule and not one that of itself is likely to result in any real concessions for Australian industry. If we are going to put in, as we believe we need to put in, vast lumps of money to develop

infrastructure, we must make sure that we get maximum development out of this. We will be putting in not only vast sums of money for infrastructure, but also using the natural resources of this State, including iron ore and natural gas as they should be used. However, in that process we must ensure that Western Australian workers, directly and in terms of our manufacturing sector, get a very substantial fillip from this activity.

Not only is there an identical provision in this legislation to that of 1979 - we expect a modicum of evolution over the intervening 18 years - but also we find ourselves in a substantially different economic climate. Less protection is available in Australia, therefore our local manufacturing sector is exposed to a brunt of international competition. There are also many more competitors in this area in terms of both manufacture and skilled workers. Last year we discovered that a score or so of Filipino coded welders had been imported into the State and were working on a pipeline project in a Bayswater factory. We were very concerned about that because a couple of hundred tradesmen welders were on the books as being unemployed. I am aware that they were not coded welders, but they could have become skilled first-class welders up to the stage of a coded welder within six to eight weeks. Courses are being offered in Western Australia currently to achieve that. However, for a variety of reasons it was more in the interests of the employer to bring in workers from the Philippines. The point I am making is that since 1979 we have lived in a different environment: There has been a great deal of industrial development in Asian countries and, as a result, many people from those countries are prepared to come to this country and work for considerably lower wages than Australian workers receive. That makes stronger provisions more important than they were in 1979. That applies even more so to paragraph (d) which is that area dealing with the manufacturing of plant and the provision of supplies. Economic development in the Asia-Pacific region in the intervening 18 years has been enormous and the competition imposed upon local suppliers by that market will be very great.

Nevertheless, we managed to achieve something in the order of 72 to 73 per cent local content, but I stress local content in relation to clause 15(1)(d). That is a point that we may need to take up with the Minister later. In relation to the supply of plant, there was a local content achievement of around 72 to 73 per cent. What brought home the bacon was not the provisions that were in the 1979 legislation, but the establishment of a national liaison group. It was a tripartite group with very senior representation from government. I recollect that in 1984 it had Gareth Evans and David Parker on it and included very senior union officials and representatives of the companies involved in the project. That national liaison group had the job of monitoring and fostering local content within that project, and it worked very successfully.

Mr Barnett: Did it work successfully? They did some of the modules on the Goodwyn project. Did they do them on time and within budget?

Ms MacTIERNAN: I understand their brief was to monitor the introduction of local content. I did not think it was confined to the provision of modules.

Mr Barnett: The project came in about 30 to 50 per cent above budget. The unions did not keep their promises.

Ms MacTIERNAN: The Minister should acknowledge that the sorts of provisions in the legislation are nothing more than motherhood statements. They are not legally enforceable. They would be voided for uncertainty if ever challenged in a court. What really will be the mechanism to ensure local content, particularly in relation to that area set out in clause 15(1)(d)? Last night the Minister referred to extraordinarily high levels of local content that he believes he has achieved in projects in this State.

Mr Barnett: The projects have been achieved; not me.

Ms MacTIERNAN: They have been achieved under his stewardship to the tune of some 80 to 90 per cent. However, I understand that they are projects that had a very high civil component. We must distinguish; we must compare like with like. We cannot just chuck in all the civil components and say that the Government has achieved that level of local content, when the civil component will have to be, by its nature, done locally.

Mr BARNETT: The local content clause has been there for a long time and is common to state agreements. The reason it is a standard clause and is there is that it works. The clause itself is not the be all and end all but requires reporting on local content and consultation with the Minister. If there were no state agreement Act, there would be no local content clause. Had this project proceeded under the existing laws of the land, there would be no local content requirement at all.

Ms MacTiernan interjected.

Mr BARNETT: I have been going only 20 seconds. The member took 10 minutes.

That is the state agreement process. I agree that the clause by itself does not do the whole job. We must do better and better on local content. The way it works in practice is that there is a local content advisory group, which has tripartite type representation.

Ms MacTiernan: You have set up one of those?

Mr BARNETT: Yes.

Ms MacTiernan: Who will be on that?

Mr BARNETT: It has been operating for over a year. It receives government support within the Chamber of Commerce and Industry of Western Australia with the industrial supplies office. It provides the link between the contractors in letting contracts and tenders and the local suppliers. It is proving very effective. It is certainly working effectively on the Collie power station and other projects. The local content clause is working very effectively on the BHP DRI plant.

Ms MacTiernan: Is it one committee for all projects?

Mr BARNETT: There is a policy setting committee. Within the Chamber of Commerce and Industry the hands-on industrial supplies office operation deals directly with the contractors, subcontractors, local suppliers and the like. One of the important things is to make sure that the process of letting contracts allows people to participate in the contracts and that the design is not too prohibitive. There is a lot of experience. We succeed best where projects are onshore. I take the member's point that where there is a high proportion of civil type works or relatively simple fabrication, by definition local content will be higher. The challenge occurs in the first instance where projects are more sophisticated. It is a matter of fact that as we move into more downstream processing investments the technology and componentry become more sophisticated; therefore, to achieve high local content is more of a challenge. We are experiencing that with the Collie power station. Certain very large items of equipment cannot or are not made in Australia. Similarly, this project will probably contain certain large items of equipment that could not or would not be produced in Australia or, if they were, the price would be off the planet. It will be more of a challenge with this project, and we are conscious of that.

Another area which is even more difficult is offshore and gas projects, as I indicated last night, particularly where they operate in commonwealth waters. The Commonwealth has no local content requirement at all. All the Commonwealth seems to do is to set up parliamentary committees every couple of years which whiz around the country and bring out reports criticising local content. In practical hands-on terms they do nothing. This clause requires reporting, which in itself is important. If we did not have this clause there would be no reporting procedure. As they have to report, the information is available to the department and Minister. It is publicly accountable. Let us face it, we are in a far more public environment with ethical business, green business, and so on.

Equally, business operating in Australia is sensitive of its image in Australia. One of the key determinants of that is the extent to which it is Australianising its operations both in ownership and the contracting and work done on the project. I do not say that local content is perfect by any means. There are many disappointments, but it is getting better and better. There is no doubt that the capacity of local industry is improving. The Deputy Premier is very keen to see Jervis Bay developed for exactly that reason; if we get the infrastructure in place for the oil and gas industry, local firms have a better chance. The irony with this project to some extent in developing a new industrial estate, and perhaps in due course developing new commercial estates adjoining it, is that local firms will have more opportunity to locate close to the steel mill and provide ongoing contract maintenance services and the like. We have a good chance here but certain componentry will be very sophisticated and not within the scope of Australian industry at this stage.

Mr GRILL: One of the largest single components for the project will be steel. I have heard a rumour that there might be some reluctance to take Australian steel in this project because the company providing steel will be a direct competitor of the proponents. I do not know whether any of my colleagues have spoken to the proponents; I have not. It appears to be a rumour that has had some circulation. It would also appear, in deference to the proponents, a sort of dog in the manger attitude. We would not like to see that position adopted. Will the Government give an assurance that Australian made steel will not be embargoed from these works and that Australian steel and steel components will be used wherever possible? It is probably a touchy question for the proponents, but we should be clear about it at an early stage.

Mr BARNETT: As far as the Government is concerned BHP steel would not be embargoed from the project. That would be an outrageous situation. I do not see that happening in any sense. I am sure that BHP will be happy to sell steel to anyone. It will depend on the specifications, quantity and price. As the member opposite is aware, in the goldfields gas pipeline where BHP was a partner, not all of the steel came from BHP but some was imported, such as the steel pipe.

Ms MacTiernan: Was that because of the type of steel?

Mr BARNETT: A pipe is a pipe, is it not?



Ms MacTiernan: I do not know. Is it?

Mr BARNETT: One pipe does not change characteristics along its length; it is a big straw. BHP was a proponent in that case. There is trade in steel. BHP will export steel and import steel. I expect that the vast majority of steel would be Australian. One of the partners is An Feng. Maybe if rolled steel is required that will come back. The steel component is an important local content. Obviously the Australian Government would be concerned if we did not have the use of BHP steel, but the price has to be right.

Mr RIPPER: The Minister is correct in arguing that the clause itself is not the only determinant of the proportion of local content. What is important is the way that clause is backed up by administration. How many staff are allocated in the Minister's department to monitor compliance with local content provisions and to support the work of the local content advisory committee? The local advisory committee was the centrepiece of the Minister's local content policy, which I believe was launched in August last year. My understanding is that by the end of November last year the committee had met only once. The committee expected the Minister to attend that meeting to assist in giving it some direction, but the Minister did not attend. The Minister has advised the House that the committee has been meeting. Has it been meeting more frequently than it met between August and November last year?

Clause 3 provides that the proponents shall submit a report to the Minister at monthly intervals or such longer period as the Minister determines. Is the Minister in the habit of determining a longer period for local content reporting than the monthly intervals specified in the agreement? Is the agreement in effect operating on a de facto basis while it awaits parliamentary ratification? If so, have the proponents submitted any reports? With regard to clause 4, have the proponents informed the Minister that services, in particular design services, will be sourced from overseas?

Mr BARNETT: Two staff from the Department of Resources Development are involved in the local content advisory group. They have other duties as well. The group comprises senior officers from the department and officers from the industrial supplies offices of the Chamber of Commerce and Industry.

Ms MacTiernan: Can the Minister explain how it works?

Mr BARNETT: It is a body that advises both the Minister for Resources Development and the Minister for Commerce and Trade. It is not tripartite in that sense, but it has a union representative - Tony Cooke is a member of the committee - and representatives from the Department of Commerce and Trade, the Department of Resources Development and from industry.

Ms MacTiernan: How often does it meet?

Mr BARNETT: I cannot say exactly. The work is ongoing, and meetings are held. The Deputy Leader of the Opposition referred to the meeting that I was to have attended last year. I did not attend because of business in this Chamber, and then the election was held. The committee was restructured after the election. However, the Deputy Leader of the Opposition should not assume that the work on local content in any sense stopped. All the agreement Acts contain local content clauses. The committee is working better than previously and we are getting good results through the involvement of the Department of Commerce and Trade and the Chamber of Commerce and Industry. The policy committee comprises government, unions and business. Officers within the Department of Resources Development deal on a day to day basis with the companies on the practicalities of their contracts. Similarly, Department of Commerce and Trade officers work with contractors and suppliers. The Chamber of Commerce and Industry's industrial supplies office provides policy input to the committee and also deals with contractors and suppliers. It works well, but we need better and better results.

The Deputy Premier is particularly keen to see better results in the oil and gas industry. That is a big challenge, because we do not have the leverage that we have in this sector. It is in commonwealth waters and as long as the Commonwealth collects its revenues, it is content.

Projects like this and the direct reduction iron plant have particular reporting requirements. The Minister has discretion to amend the reporting periods. That reflects the stage of the project. There will be frequent reporting and intense activity on local content once a decision is made to go ahead with this project. Once it is up and running, the contracts let and the work going out, the need for regular reporting is reduced. For example, if Alcoa Australia Ltd moves to a major expansion, the activity will intensify. These clauses may not be perfect, but they work and they provide us with a vehicle to work in.

Perhaps members opposite will be cynical about this, but it is not attractive for companies to be seen, identified or known as performing badly on local content. In a moral sense, used properly, it is a powerful tool.

Ms MacTiernan: How are you advised of contracts prior to the time the contracts are let?

Mr BARNETT: We are advised of contracts that are going out for tender, and departmental officers can work with companies to ensure the contracts are in the appropriate form and size. Through probably dozens if not hundreds of contracts there is negotiation and reporting on what is happening. We have the contracting schedule for the project, so we know what contracts are coming up and how the companies are going about it. With goodwill on both sides the relationship can be close.

Ms MacTIERNAN: Given the scale of this project we should have a dedicated committee to ensure that these provisions are put into play. I will take the Minister's word that companies want to be good corporate citizens. However, they also have overriding considerations to their shareholders. I do not want to reflect negatively on the proponents; however, the member for Eyre raised concerns in relation to the supply of steel. This is somewhat more complex in that the major player manufactures and deals with steel. It is a commercial reality that the idea of competitive pricing becomes hard to establish when companies have the capacity to transfer pricing. It would be difficult to know what they were paying for this steel. They would be able to set their accounts in such a way that it would appear that their product was cheaper than BHP's. That is not being critical of this company. It is a commercial reality, particularly when one is dealing with large and vertically integrated companies.

I accept that the Minister has a commitment to local content; however, given the scale of government assistance to this project we must be even more proactive with local content than we are in other projects. We should give consideration to establishing a dedicated local content group for this project only.

Mr BARNETT: Concerns will always exist, and eventually commercial considerations will prevail. An example is the Japanese steel industry, which has interests in the Pilbara iron ore producers. To my knowledge they have never imported Japanese steel for the development of the mines' infrastructure. It has never been attractive to do so. I do not see in this case that a rolling mill operation in Taiwan will somehow try to corner the steel market. It will be a competitive process. We do not need another committee. One committee can set policy that is consistent across projects. It might be of value, and it has been done in the south west with the Collie project and some other prospective projects, to have an officer employed through the Chamber of Commerce and Industry, probably with some government support, to work with the local industry to ensure that contracts go, in this case, into the mid-west region. In the south west that has been successful in the concrete gravity structure project, the Collie power station project and Wagerup in making sure that business operators in the south west benefit. Although the member's comment relates to Australian supply versus international supply, their concern is that all the contracts go to Perth firms or Eastern States firms. They want to ensure that local contractors also get a share of the action. That is probably worth doing in this case in the mid-west.

Ms MacTIERNAN: That is a worthwhile process. The Minister indicated this development would contain sophisticated componentry. Obviously large areas of the materials demanded and plant required will be outside the capacity of the local mid-west companies, but may be within the purview of the Perth manufacturing area. We must be careful to protect that. I am not talking simply about Australian supply versus international supply. It is crucial for this State to develop a manufacturing sector. Western Australia has suffered from a lack of that for some time. I do not think it will be enough for us to concentrate on that worthy notion of trying to get jobs and local mid-west businesses happening. Perth companies would be able to compete with an even greater percentage of the componentry. It should be ensured they get a look in, too.

Mr BARNETT: The whole issue is important. During the election campaign I visited an engineering company in Bassendean. Even I was pleasantly surprised. The whole place was alive with tradespeople building huge vessels that formed part of the direct reduced iron plant. The member opposite will agree it was a spectacular sight. A company that had 30 or 40 people working there a year ago has 200 or 300 people. It was very sophisticated work. That a local firm supplies the product was encouraging. Similarly, on the Beenup project United Construction Pty Ltd built in Kwinana the world's largest dredge. It was like a battleship. The capacity of local firms to respond is good. Attitudes have changed. It is getting into the hearts and minds of proponents of major projects and those in the corporate sector that they must do it in Australia and Western Australia.

I might not be universally popular in this Chamber by suggesting we must not be too preoccupied with ensuring maximum Western Australian content. Obviously it is good to see it happen in Western Australia and the mid-west. We are supposed to be one nation. The main game is to ensure that things are done in Australia. Western Australia will get a big slice of that. South Australia has a good engineering capacity. It has been involved in submarine projects and the like. A lot of the work for the offshore oil and gas that is being done with Australian content is being done in South Australia. I was surprised that some of the vessels for the East Spar project were constructed in either Ballarat or Bendigo. It is surprising how the benefits spread. I think of Australian content as Australian content, but it must be ensured there is a big slice for Western Australia.

Mr RIPPER: Has the Minister been informed by the proponents already of work that will have to be sourced from overseas; in particular, design work? The Minister might hazard an estimate on the overall level of Australian content that is expected to be achieved with this project.

Mr BARNETT: To my knowledge discussions have not been held, certainly not in any detail, but I assure the member they will take place once the commitment is made in this project.

Mr Ripper: I ask that at this stage because design work must be going on right now.

Mr BARNETT: Preliminary work is being undertaken. People are doing things like drawing on maps of the ground area how the plant will fit together. Many of the components - for example, the electric arc furnace - do not have to be designed. In a design sense it is off the shelf and is a standard product. Another example is the DRI plant, although modifications will be made to reflect different ore qualities. We are talking about proven, known technologies. Work on the layout, civil works and conveyer belts will be done, but it is not critical. Certain components, such as casters, will probably be done offshore.

At typical mining-type developments, such as BHP's Point Nelson expansion, local content has been 80 to 95 per cent. Because this project is more sophisticated it could be compared with something like the Collie power station, of which the local content will be in the range of 60 to 70 per cent. That is probably the only valid comparison at this stage. Western Australia will get high content on alumina expansions because they involve a lot of pipes that will require fitting together. This project will involve sophisticated manufacturing components, as the Collie power station does.

Mr MARLBOROUGH: Western Australia's greatest assets in this field are at least twofold. It is now recognised that we lead the world in mining engineering practices. That has been through no small effort of historical links with the mining industry, developing mining on a world scale and, through that, attracting the world's best engineers to our universities and attracting what I believe to be the world's best and most skilled work force. Earlier the Minister said he was concerned about the attitude taken by opposition members to this Bill. He felt the press statement that was released in the past 24 hours about the formation of an upper House committee would damage the possibility of raising finance and that it would be circulated quickly in the world marketplace and among banks. I support entirely the intent of this clause; that is, to maximise the use of Western Australian labour and the State's industrial enterprises. However, I am worried about the processes that have occurred in the past week.

Under this Government we have seen an out and out attempt to demoralise and disarm such a skilled work force as we have in Western Australia. Although the world banks will look at the efficiencies of companies in Western Australia and the skills of its work force, they will look at a Government's role that intends to put in place an industrial relations Bill that will undermine all the efforts these companies have put into this project so far.

I would go so far as to suggest this has already undermined much of the work done by the Minister.

#### *Point of Order*

Mr BARNETT: The member for Peel did not to my knowledge participate in the second reading debate or in the debate on the motion to establish a select committee. He is now making a general speech about industrial relations and the progress of the Bill. I ask that he indicate the clause to which he is speaking.

#### *Committee Resumed*

Mr MARLBOROUGH: I am talking about the use of labour and I draw the Minister's attention to clause 15(d) which provides that the proponents shall give proper consideration and, where possible, preference to Western Australian suppliers, manufacturers and contractors. I need go no further than that. In light of the industrial relations legislation being rammed through this Parliament at the moment, I seek some guarantee from the Minister that this legislation will not jeopardise the potential opportunities. We all know - certainly the Minister with his background in the Chamber of Commerce and Industry of Western Australia will know - that such legislation could possibly lead to massive industrial unrest. Anybody trying to put together a project of this magnitude must factor into their thought process the possibility of ongoing industrial unrest. There is an answer to that. The Minister has a role to play to make sure that he gives Western Australian workers and manufacturers the opportunity to maximise jobs for Western Australians. As the member for Eyre said earlier: Will this be a Kierath-free zone? Will the Minister make sure that the labour relations legislation with which this Parliament has dealt in recent days will be set aside so that the Government can sit down with Western Australian unions and manufacturers and reach an agreement that will assist this project and keep that legislation out of the process?

The DEPUTY CHAIRMAN (Ms McHale): I remind the member for Peel that a point of order was taken, to which I did not respond. I am sure the member is aware of his responsibility to make his comments relate directly to clauses 12 to 19 of schedule 1.

Mr THOMAS: During the second reading debate I expressed my concern about the energy aspects of this project. My comments now relate to clause 19 of the schedule under the heading "Electricity". This clause gives the proponents of the project significant powers and rights which I am sure are desirable. Nonetheless, those rights could have a significant impact on the energy future of this State. Conferred upon the proponents is an obligation to build a gas fired power station which may supply not only their own needs, but also the needs of other industries that may be established on the Oakajee site. If they are able to get cheap gas to Oakajee, and the project will not proceed if they cannot, they will be in a position to generate cheap electricity. That may attract other industries to the site, and I hope it does. It seems that, inadvertently - at least it has not had any attention in this Chamber hitherto - the proponents could set themselves up in business as a generator of power as well as a producer of steel.

Mr Barnett: They can do that now as long as they get the necessary licences and approvals. The Government has approved nine or 10 privately owned power stations in the past two years. There is no problem with that.

Mr THOMAS: That is after approval has been given. In this case, approval will be given by this Bill, the proponents can submit a proposal to the department and, if it is accepted, effectively they are licensed to supply electricity.

Mr BARNETT: The agreement gives them the right to either build their own pipeline or have a third party build it. I stress that the pipeline still must meet the requirements of non-discriminatory access for third parties. Even though it could be seen as a dedicated pipeline to Kingstream, it must provide gas transport services to anyone else in the mid-west region on the same basis. All the rules of competition policy apply to their dedicated pipeline. The pipeline owner or operator may well become involved in power generation, as might Kingstream or an independent player. Again, as long as they meet the requirements of the electricity energy legislation, that is fine.

The Opposition has accused me of holding back competition, but no other State in Australia has seen such a surge of investment in private power generation as has been seen in Western Australia in the past two years. Who knows whether the pipeline operator will be one person, and the power generator will be another, or perhaps a whole utilities package will be negotiated from gas extraction to gas transport to power generation? I am sure the project proponents will receive many innovative proposals, and that is why I want to give them the choice of going into as wide a market as possible using the competitive process.

Mr THOMAS: The point I draw to the attention of the Committee is that the proponents will be able to operate a power station and supply not only themselves but also others on the site. If other industries on that site were significant users of electricity, it could become a bigger business than the steel mill. I am happy if that happens, but I said in the second reading debate last night when referring to the impact of it on the gas transmission industry that there should be orderly development of a planned energy sector in Western Australia. That should happen in a systematic way and not incidentally as a footnote in a Bill to ratify an agreement for a steel mill. In the past six months the Minister has not been involved in any systematic planning to open up the energy sector in this State to a truly competitive situation. Decisions may well be made that prejudice future options.

Will the proponent have a monopoly on the supply of electricity to that site? If another plant or industry is established on that site, will it be obliged to take electricity from the proponents of this project, if it is not to take it from Western Power, or will the proponents of other projects also have the right to generate electricity on that site and, therefore, create some competition?

When I received a briefing from Western Power on the implications of this project the first thing that occurred to me was that the proponents could build a power station and sell power to Western Power, or wield power from the Western Power grid and sell to anyone in the State, including the south west interconnected grid. That may be desirable, but if that is happening along with the ratifying of an agreement to establish a steel mill, we should know that.

Western Power's opinion was that the grid, such as it is, extending to Geraldton does not have high capacity and that if substantial loads were to be generated in Geraldton, it would not be able to be wielded elsewhere throughout the mid-west without the construction of substantial electricity transmission facilities. Western Power is pleased for someone else to have the responsibility for the provision of electricity, because it does not sit comfortably in its system presently.

Will proponents of other industries on the Oakajee site have the same rights as this proponent to generate electricity in the Oakajee site?

Mr BARNETT: This clause provides the right to build a power supply for that purpose, but I again emphasise that that is what is granted under the agreement Bill. It does not mean that a company cannot do anything else. The other things a company might want to do would be done outside the agreement Bill, subject to the normal laws and normal policy process. For example, someone, possibly Western Power, could build a large power station in the industrial estate and sell that electricity into the grid, but those rights are not conferred under this agreement Bill.

A point of which I was not fully aware until now is that electric arc furnaces require large capacity because of the intense draw for short periods of time. Other users of power are not necessarily attracted to that because of the great flux in supply. For example, if the Mt Gibson project were to move into Oakajee, it would probably build its own power supply because it would probably regard the power supply of the current operator as unacceptable for its operations. Similarly, that would present some problems for feeding the grid.

If a gas pipeline comes into the Oakajee area, power station developments for this project will strengthen the grid system in the north. That will be an indirect benefit of this project. There has been a lot of debate about further extensions to gas pipelines, and the member for Cockburn might believe that the initial phase will be the extension of a generating capacity from Geraldton into the grid as a precursor.

**Clause 20 -**

Mr THOMAS: I raise the same concerns that I raised last night because I do not think I received a satisfactory answer from the Minister. I am concerned about the way the Government is planning the future development of the gas transmission industry in Western Australia. This Bill will have implications for the major development of the gas transmission industry in Western Australia. That industry is more important in this State than in any other State simply because of the distances that must be travelled. For example, there are 3 750 kilometres of pipeline for an annual gas demand of 171 petajoules whereas Victoria, which has an annual gas demand of 190 petajoules, has only 1 139 kilometres of pipeline. The gas transmission component of the delivered price of gas is higher and, therefore, it is a more important factor in getting the price of gas down and making industries competitive in Western Australia. The Opposition believes the Western Australian gas transmission industry is on the verge of a new phase of development. The Dampier to Bunbury natural gas pipeline is near its practical limit and all the projections show that there is a market for another pipeline.

Mr Barnett: Not tomorrow.

Mr THOMAS: Perhaps not tomorrow.

Mr Barnett: Some people would like others to believe it will be tomorrow, but it is not necessarily likely in the next decade.

Mr THOMAS: There are a number of variables. If the price goes down, the market will appear. The Minister should know that as a former lecturer in economics.

Mr Barnett: You do not build an alumina plant to get cheap gas; you build it because the market is good.

Mr THOMAS: But one might not build it because cheap gas does not exist. That is my point.

Mr Barnett: I give up on you.

Mr THOMAS: Whenever one calls into question what the Minister says he gets snaky and didactic.

Mr Barnett: I get irritated when you contradict yourself within the space of 30 seconds and when I pick you up on it you immediately accuse me of spitting the dummy. If you don't like being picked up, I will listen quietly to you prattle on and I won't comment. I am happy to do that.

Mr THOMAS: I would prefer that the Minister kept quiet and listened.

Although an increase of another 500 terrajoules a day on the normal projections of demand for gas can be expected, it is also the case - as the Minister as a former lecturer in economics would know - that prices will halve or reduce by a significant extent. That may well create the demand and bring forward that market increase. I am not a former lecturer in economics, but that seems to be an obvious point.

Mr RIPPER: I dealt with this clause in my speech during the second reading stage last night. I expressed concern that important decisions about the future of gas transmission to the south west may be made de facto by the proponents rather than by the State, as I believe they should be. Once decisions about gas transmission to Geraldton are made in a de facto way, other decisions regarding the transmission of gas to the south west are much more certain. The company that gets the contract to supply the Kingstream project - either the AlintaGas-Epic bid or a company that gets the contract through the construction of a second pipeline - will determine, because of commercial reality, who gets the right to transmit gas to the south west when eventually, as I think will happen, there is a need to provide additional pipeline capacity.

Mr THOMAS: I am disappointed that the Minister has left the Chamber. It reflects a very cavalier attitude on his part towards the Parliament about energy planning over the past year or so. People who wish to raise very crucial

and critical matters about the development of this State are treated by this Minister in a very cavalier manner. The fact that he has left the Chamber when we are debating this clause, reflects this attitude.

The Minister did not respond to this point last night. At present in this State a committee is looking at the sale of the Dampier to Bunbury natural gas pipeline. In a statement to a breakfast meeting a couple of weeks ago the Minister announced - he has not made any statements in this Parliament or to the public of which I am aware - that AlintaGas intends to sell 100 per cent of the Dampier to Bunbury natural gas pipeline. Accompanying that will be the right to build additional transmission capacity of 500 TJ a day; that is, about the capacity of the existing pipeline. The company that purchases this pipeline will be able to build another pipeline. It will control two pipelines. On my understanding of the market projections of the Australian Bureau of Agricultural and Resource Economics, that will soak up the increase in demand for some years to come and preclude the possibility of a competing pipeline in that period. We believe it may well be very desirable to have -

Mr Barnett: Under a regulatory environment which has non-discriminatory third party access under the competition laws, in a sense it does not matter.

Mr THOMAS: Yes, it could.

Mr Barnett: The only way it would matter would be with different specifications. We are talking about privatisation. Whether it constructs one pipe, two pipes or three pipes does not really matter. The only way it matters is if there are different qualities of gas and, therefore, it is a case of two separate pipelines. We are talking about capacity, not the sort of pipeline. We could have small pipes, big pipes, fat pipes, thin pipes. It is the capacity, not the pipeline.

Mr THOMAS: We could also have square pipes and oblong pipes.

Mr Barnett: We must be careful. Many of these issues have been thought through by people who are far cleverer than you and I.

Mr THOMAS: No doubt, but I have given this issue some attention. At one stage the notion of a pipeline that could carry lean gas had some currency.

Mr Barnett: It is losing a bit of appeal these days.

Mr THOMAS: I understand that; particularly after 2005 it will not be an issue.

As the Minister says, we can have a competitive regime within one pipeline or within a series of pipelines under common ownership. If companies with pipelines are seeking to sell their capacity to carry gas, one would expect it to encourage competition. We are concerned that when we are at a turning point, a threshold in the development of the gas transmission industry in Western Australia, which will turn out to be one of the most important infrastructural parts of the State's economy, decisions are being made which will preclude that option. Those decisions are not being made on a conscious basis as far as we can see, having examined the merit of that question; they are being made incidentally in relation to other matters, such as the sale of the Dampier to Bunbury natural gas pipeline.

Mr BARNETT: We have had that debate and perhaps we can have another about energy policy. However, at the end of the day if it goes the way of a separate pipeline, whichever company Kingstream uses will be in a strong market position to win the access rights for entry to the south west. Those opposite should not get too paranoid about that. We do not know which company that will be. I hope it will be an Australian interest. I am a little soft about trying to see Australian companies play a role. We are in the process of selling the existing Dampier to Bunbury natural gas pipeline. Once it is sold, a regulatory regime will be in place that is tighter than the present regime. It can be on-sold. Who knows who will own it? Let us not get too hung up on this ownership issue, who it will be and what rights it will have. That is why, despite one aggressive company which does not seem to take a shine to me - I do not care that much -

Mr Thomas: I can't imagine why.

Mr BARNETT: I find it difficult to understand, although I have a rough idea. If that company were to go ahead and build a pipeline, the chances are that it would sell it, too. These assets change hands. I am a supporter of privatisation. One thing that will be discovered in the Eastern States is that through privatisation and the repeated selling of assets, Governments lose any influence over strategic utility-type assets. That is not a reason for not going down that privatisation path.

Mr Marlborough: Like airports.

Mr BARNETT: Yes, from my perspective. I am a supporter of a private airport, but I am very concerned about the position of the State over airport and aviation policy. It is important, and we must be conscious of it. I suspect in

Victoria that will be part of the learning experience and we will find utility assets in Melbourne are essentially being traded in New York. Maybe that does not matter, but that will be the outcome.

Mr RIPPER: Does the Minister concede there is an important policy question to be determined here: Should we have one pipeline, perhaps looped, supplying gas to the south west, or should we have two competing pipelines? I am concerned that in the operation of this agreement that interesting policy question may be determined by the commercial decision that Kingstream makes, rather than by the State acting, in its view, for the overall economic benefit of the State, particularly for jobs and economic development in the south west. I am interested in the Minister's views on that question. So far we have not heard much from him.

Mr BARNETT: The answer is very simple -

Mr Thomas: At the secret meetings.

Mr BARNETT: I never have secret meetings.

Mr Thomas: I will come to the next one.

Mr BARNETT: I think I have been very open on pipeline issues. My views on the pipeline have been reported in *The Australian*. I have been flexible. I have listened to what people have said. I have not gone down the path they have suggested, but I have modified and changed my ideas. The whole focus of this debate is how to get the gas from the field to the customer. This is being misconstrued.

Mr Marlborough: You have to get it from point A to point B. The price is crucial to the growth in the industry in this State.

Mr BARNETT: The member is focusing on this pipeline issue. Pipelines are important, but they are a means of transport. The critical issue is the purchase price of the gas at one end of the pipeline, and a transport component will be added. The most critical issue about the pipelines is that there is a nondiscriminatory third party access regime that is fair to all players. That is in place and will be in place if a new pipeline is built. It is important that the pipeline be technically efficient in operational terms. It is also important that the financial or commercial operation of the pipeline is such that capacity is not tied up in contracts that are buying capacity but not using it. One of the problems with the existing pipeline is some of the contractual arrangements. Under private ownership, where the profit incentive is perhaps stronger - I do not mean to be disrespectful of AlintaGas - with sophisticated operational and commercial expertise, a large national pipeline operator will squeeze more at a lower cost from an existing pipeline as well as a new pipeline. The current transport charge is \$1.25. It might well be that we will end up with a sale of the pipeline and a transport charge of \$1.00. That is my expectation.

Members should not get hung up about the number of pipelines. The most important issue is that we transport the gas at the right minimum charge. The original Dampier to Bunbury natural gas pipeline started with a capacity of 370 terajoules a day. The compression has been expanded so that it now carries nearly 500 TJ. During the industrial unrest it carried well over 600 TJ, but that was pushing it. More can be done; for example, the gas can be pumped through at night to get more out during the day and so on. However, it is getting to its limit without a physical expansion of the pipe. The pipeline is big and it was built for that purpose and for growth. However, in the early years there was not the demand for gas. The reason transport prices have been historically high is that the pipeline has been struggling with a high debt and low volume. It is only recently that it has operated at capacity; it is making money and, albeit modestly, retiring debt.

One of the worst scenarios we could have - this has not been mentioned - is the premature construction of a new pipeline. We could have two pipelines operating at 40 per cent, 50 per cent or 60 per cent capacity. That would lead to high transport charges or failing assets. We do not want that. We will probably see an incremental expansion. Perhaps when several contracts come together or contracts are reassigned in the south west someone will take the jump and either extend the pipeline from Oakajee or build an entirely new one. Pipelines are simply a means of transport, that is all. The last thing we want is excess capacity. The consumer or the gas supplier will pay if the pipeline, which costs \$1b to build, is operating at low capacity. Members should not believe that a multiple pipeline system will mean cheap gas transport. It does not and that is not the experience in Western Australia.

Mr THOMAS: The Minister referred to entrepreneurial pipeline proprietors squeezing the last bit out of pipelines to maximise profits. If there are two pipelines competing, the chances are that the price will be lowered. In addition, when the Minister announced his decisions regarding the sale of the Dampier to Bunbury natural gas pipeline, he said it would be sold together with the right to another 500 terajoules a day capacity. That is effectively selling the right to build a second pipeline to the person who buys this pipeline.

Mr Barnett: I did not put a terajoule limit on it.

Mr THOMAS: I think the Minister referred to 500 TJ.

Mr Barnett: They can build it. If Epic Energy does succeed, it would build a higher pressure line. They are commercial decisions that must be made.

Mr THOMAS: Whether they are little pipes at high pressure or big ones at low pressure is of no consequence. The number of terajoules a day is important -

Mr Barnett: It is not. It is indicative. If they build a pipeline of the same size and higher quality steel, that can take 700 TJ. They have a right to loop, and the specification of that loop is up to them.

Mr THOMAS: The number of terajoules a day is the concern; that is how they make money. The Minister seems to be closing off the option of having a competing pipeline under different ownership.

Mr Barnett: I am not.

Mr THOMAS: No-one is suggesting that additional capacity be funded by the public sector. Anyone building additional capacity would be putting their own capital at risk and would have to sell that capacity to make a profit. If the pipeline were operating at 40 per cent, 50 per cent or 60 per cent capacity, that would be good because the operator would need to sell that transmission capacity, and that would lower the cost.

Mr Barnett: If they take contracts from the existing pipeline, it might drop from 100 per cent to 60 per cent capacity. We could be left with an underperforming asset. We are talking about the projects at Oakajee, Asia Iron and Mt Gibson. You tell me where is the massive load in the south west.

Mr THOMAS: The Australian Bureau of Agricultural and Resource Economics has predicted that there will be growth. We want a systematic and proper examination and a decision made about the future structure of the gas transmission industry in this State. We want to debate whether it is desirable to have a competing pipeline and whether a decision should be made to maximise the return on the sale of the existing pipeline.

Mr Barnett: You can debate it, draw any conclusion and move any motion but, at the end of the day, it will not be worth a zack because the marketplace will determine the outcome. We can pass a motion that there should be two pipelines, but if it is not viable it will not happen.

Mr THOMAS: That is correct. However, the Minister can decide not to have one and, even if it is viable, it will not happen.

Mr Barnett: I will not do that; I am not cutting off options for anyone.

Mr THOMAS: Perhaps the Minister is saying that the purchaser of the existing pipeline has the right to build additional capacity to the same level as the existing facility.

Mr Barnett: You are the energy spokesman for the Australian Labor Party, are you not?

Mr THOMAS: Yes, I am.

Mr Barnett: Is it your position that if the pipeline is sold there should be no capacity rights?

Mr THOMAS: The Opposition wants a proper examination of the notion of a competitive pipeline in this State.

Mr Barnett: You can do that.

Mr THOMAS: We want to see the Government do that.

Mr Barnett: Do not expect me to waste my time.

Mr THOMAS: I am trying to have a serious debate about what is probably the most important infrastructure.

Mr BARNETT: The member is having a strange little academic, intellectual contortion in his mind that I do not understand. I cannot dictate which pipelines are built, who will build them or who will own them.

Mr Thomas: You can preclude options.

Mr BARNETT: Yes, I can. I also believe we should honour the integrity of the north west shelf renegotiation and the phased deregulation, which will have run its course on 1 January 2000. Given that it takes 12 to 18 months to build a pipeline and a year for the tender process, effectively we are there now. No-one will build a new pipeline before that date. Nothing is being precluded and that will be part of the deregulation process. When I asked the member a straight question he said that he wanted an investigation. He can have that, but I am not interested. The member seems to be implying that in selling the main pipeline, we should not sell the right to expansion. In other



words, the member is saying that the State, the poor bleeding taxpayers and gas consumers who supported this pipeline for a long time, should not receive the benefit; we should effectively take a loss and let a monopoly rent, or let profit or gain accrue to some other party, probably a foreign multinational. That is dopey. It is un-Australian. In fact, it is un-Western Australian.

I am not surprised that industry does not support me on this - I do not expect it to - but a lot of people in this State do. I will get for the people of Western Australia the best price I can. I will not distort or contrive the market, but there is a bit of profit in here, and I want to get that back for the people of Western Australia. I do not want to see a foreign company secure for nothing a \$400m or \$500m net benefit. I may be wrong, but I believe that belongs to us - to the Western Australians who have built that pipeline and supported it for the past 10 years. That is what I want to achieve, and if that is wrong, then I am wrong.

Mr THOMAS: The Minister does not seem to understand, or perhaps he does understand but will not acknowledge, that a pipeline has no inherent value.

Mr Barnett: Here we go! We will give it away then!

Mr THOMAS: The value of the pipeline is determined by what we are allowed to charge for the provision of gas. If we were allowed to charge \$2 a gigajoule, obviously it would be more valuable than if we were allowed to charge \$1 a gigajoule. Those decisions will be made when the pipeline is sold. The Minister announced the other day at a breakfast meeting of accountants - he had not bothered to tell the Parliament or anyone else - that he was selling 100 per cent of the pipeline and that he expected to get \$1.5b. On a back of a bus ticket calculation, if we could get \$1 a gigajoule for every gigajoule carried through the pipeline per annum, we would get \$170m a year. That would probably service a purchase price of about \$1b. If it were sold for \$1.5b, clearly the capital service requirement would be one and a half times \$1b; if it were sold for \$2b, it would be twice that. The amount that was paid for the pipeline would determine the price of the product that is delivered. That seems to be self-evident.

A presentation was made by the Chamber of Mines and Energy earlier this week about the state of the Western Australian economy, and the document that accompanied that presentation made some adverse comments about the privatisation process that had taken place in the United Kingdom and also in Victoria, where the concern of the Government had been to maximise the price that was obtained for the asset that was being sold, but by maximising the price of the asset it kept up the price of the electricity, gas, or whatever other product was sold. Therefore, if the Government were to say that it wanted to get as much for the asset as it possibly could, it would probably preclude lower prices. This is where a judgment needs to be made. It might be better, in the overall interests of the State, to have lower infrastructure costs - that is, lower gas transmission charges to industry - than to get that extra \$100m or \$200m, or whatever the Minister appears to be seeking.

From my understanding of the accounts of AlintaGas, the pipeline is on the books as being worth about \$950m. If the Minister were to get \$1.5b, that would be a \$500m windfall profit for the State, and that would be good for the State in that sense. However, if the Government were to keep the price of gas transmission charges and, therefore, the delivered price of gas, higher than it might otherwise be and thereby preclude industries which might otherwise exist in this State, that might not be such a smart idea. That is the point I wish to make.

To the best of my knowledge, this State does not have a systematic development of policy on the future of the gas transmission industry to enable us to talk about those issues. We found out from a report in the newspaper about a talk that the Minister gave to a breakfast meeting -

Mr Barnett: It was a dinner at the Weld Club.

Mr THOMAS: - that he expected to get \$1.5b and that he would sell 100 per cent of the pipeline. Where is the development of industry policy in this State? Very few decisions will be made in this State that will be more important than the development of the gas transmission industry over the next decade. It seems to me that that policy is being developed incidental to the decision to build a steel mill, which could effectively give the proponents a pipeline licence, or the right to confer that licence, which would put them in the best position to build a second pipeline, or to try to get the best price for the Dampier-Bunbury natural gas pipeline. It might be best to have a competitive market and keep the pipeline that we have.

Mr RIPPER: The concluding remarks of the member for Cockburn have hit on a key point that concerns me. Whatever may be the debate between the Minister and the member for Cockburn about the future of energy policy, my concern is that the future of energy policy and gas transmission to the south west should be determined by the State rather than by the operations of this agreement. The Minister expressed some fears about one potential scenario that he saw in the future, which was two expensive pipelines operating at below capacity. He will want to ensure from his policy perspective that that does not happen.

Mr Barnett: If that is the case, what is your view of a company like PGT Western Australia, which has declared unilaterally that it will build a pipeline regardless of the policy? Is that acceptable or not acceptable?

Mr RIPPER: This State needs to determine the future of gas transmission. It may be that the correct way to go is to have two pipelines, and a company like PGT, or an Australian company, may be given the right to construct a second pipeline. I am not committed to that. That is one potential solution to the gas transmission policy in the future. Is there not a possibility, or a probability, that the operations of this agreement will determine these policy questions, rather than the State working out the best solution for the future and applying it?

Mr BARNETT: I cannot foresee the future. We are trying to accommodate the integrity of an existing deregulation process; the desire of new gasfields to come into production; the desire of new gas customers to get lower prices; the desire of pipeline companies to either buy, add incrementally to existing pipelines, or build new pipelines; and the desire and the need for the Kingstream project to have the widest possible choice. Not all of those issues or objectives neatly line up; there is some partial conflict between them. The solution that I am proposing and that was mentioned in the article to which the member referred is a good solution, and the feedback that I have been getting from the people with whom I have been discussing it has been positive. It is the fairest solution. It will protect everyone's interests and ensure that the State and the customers of the utilities, are protected in power and gas supply and that if there were some windfall gain, it would go to the people of Western Australia. I do not find that such a bad thing. Perhaps I am a closet socialist.

#### **Schedule put and passed.**

#### **Title put and passed.**

#### *Report*

Bill reported, without amendment, and the report adopted.

#### *Third Reading*

**MR BARNETT** (Cottesloe - Minister for Resources Development) [5.11 pm]: I move -

That the Bill be now read a third time.

**MR THOMAS** (Cockburn) [5.12 pm]: I wish to speak briefly at this stage to summarise the Opposition's stance on this matter. I must stress that the Opposition is very pleased that this legislation is about to be passed and that the project appears to be set to proceed. We are strong supporters of the project. We are pleased with the prospect of such a major industry being developed in the mid west. The impact of such a development will benefit not only the mid-west but also the entire State. The proximity of such a project to more closely populated areas of the State is desirable. It is a great project and we are very pleased to support it. No-one should have any doubt about our position in that regard. However, we did raise some problems, and I understand that some people have interpreted that as opposition to the project, but they are wrong. We object to the way the Government has gone about this. I am very disappointed that every time the Opposition raises concerns with the Minister about the way he proceeds with some aspects of various issues he becomes very precious and suggests that we do not support the project. In that way, he misconstrues our position.

Opposition members have raised a number of concerns which should properly be raised in a Parliament when considering this type of legislation. We have raised the issue of subsidies or state support for this project; we want to know the extent of that support. When we raised that matter the Government became very upset and critical. It suggested that by raising such matters we are not supporting the project. It is our responsibility as members of Parliament to scrutinise such matters to satisfy ourselves that the support - if there is to be state support - is appropriate and will benefit the State and therefore is justified.

We moved to refer the Bill to a select committee but the Minister said that if we did that we would probably kill the project because the proponents must go to the capital markets. He said that if the matter were sent to a select committee the project would not be bankable and it would make it difficult for the project to proceed. Whose fault is it when a Bill is brought to the House a week or two before the proponents must go to the capital markets? The proponents want to have a bankable project, and for it to be bankable an agreement Act must be completed. This is an irresponsible or incompetent Minister. This item has been on the Notice Paper for months. We had briefings from the proponents months ago. Any time in the past couple of months the Government could have brought on the legislation, we could have appointed a select committee, and the matter could have proceeded in that way. Therefore, to suggest that by raising these questions our support for industrial development is called into question, is to characterise our position in an unfair manner.

As shadow spokesman for Energy, I am very concerned to ensure that at the earliest date we have a competitive gas transmission industry in this State. It is the most important infrastructural element of the State's economy that is likely

to have implications for future development not only in the next decade when decisions will be made but also in future decades. It is most important that be done deliberately as a development of energy policy, not as a footnote to an agreement Act for a steel mill or arising incidentally from the sale of an existing asset. There needs to be a balance and deliberate consideration of it. We see no sign of that process being undertaken. We sought briefings but we see no sign of any systematic development of energy policy which would ensure that we arrive as soon as possible at a competitive energy market which will be able to deliver cheap gas to industry and, therefore, facilitate industrial development in this State.

We will raise these matters on other occasions in Parliament in the weeks to come. There should be no doubt in capital markets or anywhere else that the Opposition strongly favours this project. We will always put the Government under scrutiny so that such projects are proper and will benefit the State. There should be no suggestion that we are not supportive of the project.

**MR BARNETT** (Cottesloe - Minister for Resources Development) [5.17 pm]: I had no intention to comment, because we have had a long night and day of debate, and most of that debate has been about energy policy rather than the Bill before the House. Over the past 24 hours, it has almost been a case of, "Please don't let the facts and the debate interfere with a good press release." The issue began with a press release by the member for Eyre last night in which he announced that the Opposition would set up a select committee into the Kingstream project and the Bill. The Opposition has spent most of the day trying to get out of that without too much loss of face -

Mr Ripper: That is a totally incorrect recounting of history.

Mr BARNETT: There was a fair bit of panic on that side -

Mr Ripper: The panic was on your side.

Mr BARNETT: We have not changed our position in the past 24 hours.

Mr Ripper: Yes you have. The Bill is being referred to the Public Accounts and Expenditure Review Committee.

Mr BARNETT: I do not want to delay the House.

I give the member for Eyre some credit for hide. We cannot keep a good man down! He has put out another press release today to complete the job. It states -

The State Opposition has won a concession from the Court Government which has agreed to allow an independent parliamentary investigation into the level of taxpayer support for the Mid West Iron and Steel project.

The Opposition will withdraw its motion for the Iron and Steel (Mid West) Agreement Bill 1997 to be referred to a select committee after Resource Development Minister Colin Barnett today agreed to a Public Accounts Committee inquiry.

I guess that puts the best possible spin on the day in the Parliament for the Opposition. Last night the Opposition said it would move to establish a select committee. I suggested last night that, supported by members on this side, it was not appropriate to examine the Bill or the project but the Government commitment to taxpayer funded infrastructure. I suggested the vehicle to do that was the Public Accounts and Expenditure Review Committee. Twenty-four hours later that is what the Opposition has agreed to. Congratulations on a great win and a great concession! If that is the level of opposition victories during this term of Parliament members on this side will be happy.

The member for Eyre should not let the facts stand in the way of a press release! I have been as open as I can about what we understand will be the likely costs. I have indicated that the best estimate we have of the cost of the major piece of infrastructure, the port, is \$260m. We have had proposals from the private sector as low as \$191m. Nonetheless, the best estimate on which we are working is \$260m; add in the railway, a bit of road and a bit of this and that and the most realistic figure to work on for infrastructure is in the order of \$300m. That is what we are considering and it has been our consistent view. However, that does not hold back the member for Eyre. He talks about infrastructure support being as high as \$400m, plus annual operating costs.

Mr Ripper: He was using a figure you used in the debate. You conceded it could blow out to that amount.

Mr BARNETT: No; I quoted \$300m and said we could build a better port which might cost \$400m.

Mr Ripper interjected.

Mr BARNETT: The member for Belmont should hesitate or he might get into trouble!

I refer back to this press release from the laterally thinking member for Eyre! He took the top figure of \$400m - that is fair enough - as the cost of building and then suggests there will be an operational subsidy of \$20m. He then said this could result in a worst case scenario, on the basis of government figures, of up to \$800m. At that price he suggested we will spend \$400m on a project and then borrow \$400m to pay for it twice. We can build three ports for \$800m. The Opposition has made the most astounding, incompetent conclusion. Its members have counted the port twice. They said it cost \$400m to build it.

Mr Ripper: Why are there not operational losses?

Mr BARNETT: There is none. After 24 hours members opposite have completely lost the plot. They have counted twice. They said we would pay \$400m, then borrow \$400m and pay again. That is terrific! In one day, based on their estimates, the cost of the port has risen from \$260m to \$800m.

In the light of that the member for Greenough can now have three ports in his electorate, if he can tell me where he would like them. This is a conservative Government; Kingstream wants only one port. The Government believes it can build that and the railway for \$300m. If the member for Greenough has friends who want a couple of other ports, we will throw in three ports! This has made my day. I am glad I am going to a cocktail function. I will enjoy myself tonight. I will be able to tell 200 business people how they can have three ports for the price of one. It sounds like Labor Party policy and the accounting and commitment of the 1980s. Nothing has changed. Members opposite may not be the same people and they may have better ethics than some of their members in the 1980s, but their mathematics are no better.

Question put and passed.

Bill read a third time and transmitted to the Council.

### PERSONAL EXPLANATION

*Member for Cockburn*

**MR THOMAS** (Cockburn) [5.25 pm]: Mr Acting Speaker I seek leave to make a personal explanation.

Mr Barnett: It is convention in this House to accept personal explanations. The Government is prepared to do that as long as it is a personal explanation. If it is an argument about some of the issues it will not be a personal explanation.

[Leave granted.]

Mr THOMAS: Last night in this House during the second reading debate on the Iron and Steel (Mid West) Agreement Bill, the Minister took a point of order and asked me to withdraw some comments he thought I had made. I said that I had not made them; yet he repeatedly asserted that I had. I challenged him to accompany me to Hansard to listen to the tape to verify what I said. If he were right about the comments which he accused me of making, I would apologise, but if I were right I expected him to apologise.

Mr Barnett: What was it I said you said?

Mr THOMAS: I suggest the Minister look at *Hansard*.

Mr Barnett interjected.

Mr THOMAS: The Minister took the point of order. In any event members are not allowed to listen to tapes, only the Speaker is. I have checked the record with *Hansard* and I was right and the Minister was wrong. Following the discussion we had last night he should apologise for the allegations he made against me. So far he has not, so I inform the House that I was right and he was wrong.

### APPROPRIATION (CONSOLIDATED FUND) BILL (No 1)

*Second Reading*

Resumed from 1 May.

**MR CUNNINGHAM** (Girrawheen) [5.30 pm]: My contribution to this debate is to dwell on the disgraceful situation within our hospital system. The Western Australian hospital system has been targeted by this Government for privatisation. That privatisation has brought the standards of our hospitals in this State close to a third world country. Waiting lists continue to increase and what could be considered as priority surgery has been disgracefully and repeatedly assigned to low priority.

A case I brought to the attention of the Minister for Health only two months ago is a sad and shameful example of the failure of this hospital system. Although he is absent I offer my appreciation and thanks to the Minister for Health for his courtesy in meeting a young constituent named Rory from my electorate.

However, I believe the Minister's subordinates, to put it mildly, were not quite telling him the truth. They were treating him in the same cavalier fashion as they treated my constituent. That young man has great courage. He is forced to live like an animal in hiding because of his hideous features. He agrees with that description of his appearance which resulted from gunshot wounds to the face about two years ago.

He is a very brave young man to have lived for two years with both physical and emotional pain. He has great courage and has endured two years' suffering as a result of total incompetence and this Government's lack of interest in ensuring the maintenance of the very high standard of public hospitals we once enjoyed. We were assured of the funding that would enable the health system to continue to provide the high standard we expect. That is not available today.

Rory has been told his circumstances do not meet the criterion of a life or death situation and therefore do not warrant urgent action. After 25 months a face reconstruction is not classified as emergency surgery. What must one suffer to be considered for emergency, corrective surgery? It is totally outrageous and completely unacceptable in this day and age. A human being is being treated as subhuman and Rory's courage and self-esteem is daunting. His self-esteem must constantly be receiving a massive body blow. It is only by the grace of God that he is mentally able to deal with this profound disability. Rory is an extremely courageous man who needs the Minister of Health to intervene in the health system on his behalf so that major surgery can be brought forward and he can again live a normal and useful life.

I do not want members to feel squeamish, but I must describe Rory's condition. This young man does not have an upper palate, which means he has a hole in the roof of his mouth. When he eats and drinks the food and liquid come out of his eyes and nose. His eyes are held in place with a piece of wire and the nerves at the back of his head are constantly bleeding. Rory cannot eat properly because of mucus which builds up in the back of his mouth. He has no taste, no smell and is going blind. Rory cannot eat properly because he vomits continuously. It is not a very pleasant story. Owing to the state of the hospital system this young man has been told his condition is not a priority and is not a matter of life or death. This is the response of the hospital system in Western Australia in 1997.

I feel total outrage and I am appalled that this human being has been left to face the world with his shocking appearance. We claim to be compassionate, but how can that be so when we allow a person like Rory to live as he does. Both the Minister for Health and the shadow Minister for Health, the member for Fremantle, have met this young man and I know they can confirm his shocking appearance. Despite the Minister's intervention nothing has been done. The Minister did arrange a meeting which my young constituent was to have attended with his specialist. Rory turned up for the meeting only to be told that the specialist was unable to attend because his wife was having a baby. Rory was not given prior warning that the surgeon could not attend.

Why should this young man continue to be given the run-around? It is a typical "Yes Minister" approach. Every day in my office I receive complaints from patients in public hospitals about the lack of service, cleaning standards, which have virtually disappeared, and food standards, which are a disgrace. It has reached the stage where patients are instructing their relatives and friends to bring them a decent meal. I suggested to one of my constituents to whom I was speaking a few weeks ago that the food at Royal Perth Hospital was substandard. She said I was wrong and that there was only one word to describe it. I will spell the word she used - s-h-i-t. That came from a 56 year old meek and mild lady in my electorate. I thought butter would not melt in her mouth.

This situation is not acceptable and it has been caused by this Government's privatisation push. The results speak for themselves. Opposition members know it is disgraceful and the public also believes it is disgraceful.

I offer a bouquet to the Minister for Family and Children's Services, Seniors and Women's Interests. Over the past few weeks many service organisations in my electorate have received varying amounts of funding. I applaud the Minister for this, but the needs of the people in my community are many and varied. While they appreciate the paltry amounts of funding which have been forthcoming, it is imperative that the Minister and this Government commit to continuing funding to each of these programs. If these organisations are to function to capacity to benefit the local community, it is important that they are confident that funding for their programs will continue so they are not forced to operate with an axe over their heads not knowing whether funding will be approved for the following 12 months.

Organisations such as Shalom House, a crisis accommodation service, the Aboriginal family violence support prevention service, the City of Stirling's 24 hour refuge service for women and children escaping domestic violence and Ebenezer Home for homeless young people must receive ongoing funding. Funding has been provided to the Salvation Army to operate a 24 hour telephone information referral service for people in crisis and to the Koondoola

and Girrawheen Youth Incorporated to provide a work skills training program for people aged between 13 and 16 in the Mirrabooka area. The Anglican Health Welfare Services Inc is another organisation which has been given a grant to provide accommodation and support for families in Girrawheen. These are a few of the deserving causes which have been provided with some funding. These groups are not just a pretty face in the community, they are the life and support for many young people in crisis. However, these programs are constantly under threat.

Cuts in funding to organisations in the Girrawheen electorate must grind to a halt. My electorate is blessed with many caring organisations like those I mentioned. They are run by extremely compassionate people and I cannot speak highly enough of these special people. They provide people in the community with a safe place to go when they are in urgent need of crisis help or a little time out to deal with the problems they encounter in everyday life. The lives of the people in need have been made even more difficult by this Government's actions. For example, this Government says that the changes to transport concessions are minor changes. I venture to say that many members opposite have not needed to use public transport for a long time, if ever.

This morning's paper featured a story about the recent trip to Sydney of a constituent of mine who was delighted when he found that he could travel all day for \$1. That gentleman lives in Girrawheen and I know him well. Children, seniors, single parents and families on low incomes are the ones being hit again and again by the Government.

I have yet another bouquet for the Minister for Education for providing funding for the Balga Senior High School, for which we are grateful. The \$300 000 earmarked for this year is only a drop in the ocean but, as the saying goes, anything is better than nothing. The school is in desperate need. It is struggling with limited resources in its attempts to ensure that its students progress through the challenging years of the 2000s. It is the Government's responsibility to provide schools with the necessary tools so that students can learn and develop.

I am also pleased to learn that the Ballajura Community School is to receive funding to complete stage 2 of its construction. Although the school is outside my electorate, I am closely associated with it because many constituents in Alexander Heights send their children there and I was involved in its initiation in 1989 during the years of the former Labor Government.

Girrawheen Senior High School is an alternative school under the magnificent direction and leadership of its principal, Barrie Wells, whom I have mentioned many times in this House. He has provided programs which give students the opportunity to perform to the best of their abilities. Many programs have been established for students to take part in the community and to gain experience working in the community. Many students from that school have come to my office for two weeks work experience. As well as that, for a number of years my office has accepted business studies students from Girrawheen Senior High as trainees. My office has provided those students with training and has assessed them for the school. That program provides young people with the opportunity to work in and out of the school environment. It allows their individual personalities, competencies and self-esteem to grow. The students who participate in that program have usually made the decision not to pursue tertiary education and it gives them valuable work experience so that when they complete year 12 they have the confidence to approach the working environment knowing what is expected of them as employees.

The world young people face today is changing. Youth unemployment has increased and statistics show that young people with skills are more likely to gain employment than those without. I expect a student to use every opportunity to gain skills to improve his or her chances of being employed.

Mr Board: You must be pleased with the news of the drop in youth unemployment figures today.

Mr CUNNINGHAM: Unfortunately that is not reflected in Girrawheen.

My office staff find the task of training and assessing students a challenge that enriches their lives and work. They enjoy the opportunity to assist young people to learn about the world of work. All the students who have come to my office to work have been eager and willing to learn. They have welcomed the opportunity to use modern office equipment and they apply the many skills they learn in school in a real workplace - and my office is a real workplace.

In the past few months I have spoken to several employers and they have found that the students who have worked in their workplaces under this system are of the highest quality - and they have in fact employed them. That period of work placement has allowed those employers the opportunity to vet those students to see how they would fit into the work situation.

Many employers are parents and are concerned about our nation's future. Accepting young people on workplace training enables employers to help young people and is a positive advertisement for any company. I endorse the vocational programs at Girrawheen Senior High School and commend the students, teachers and employers who participate in them.

Girrawheen Senior High School has received tremendous support from the Heirisson Rotary Club which manages its vocational program. Members of the club, who form the bulk of the school industry management committee, include Peter Brearley, a consultant engineer; Pauline Foisy, who works with the State Government Insurance Office; Mike Shade, an employee with Computer Science Corporation of Australia; Dr Liz Pattison, a consultant; Mr Chris Maxwell, a consultant; and Mr Jim Meneely, a public servant with the Western Australian Department of Transport. Other members of the committee are James Weaver, from the Esplanade Hotel in Fremantle; Mr Barrie Wells, Principal of Girrawheen Senior High School; and Mr Milton Butcher, a teacher at Girrawheen Senior High. The committee's work involves supporting and promoting the program and liaising with employers.

The members of the committee have given a great deal of their time to work to improve the programs and involve additional employers, thus improving opportunities for students. I congratulate these people for caring and for taking time out to help prepare our young people for the future. I applaud Barrie Wells on his insight and commitment to the school community. Principals like Barrie Wells are the carers of our future resources and should be encouraged and supported. Such programs can only exist with committed funding and I call on the Government to ensure that the needs of these groups are met.

The Girrawheen electorate is an ethnically diverse and culturally rich electorate. It reflects how Western Australia has embraced family migration as an important feature of the future direction of the nation. The electorate has large numbers of Macedonian, Vietnamese, Italian, Burmese, Filipino, Kurdish, Timorese and Anglo-Indian communities. These people have brought to this country skills and qualifications to enhance our community. In doing so they have contributed immensely to the social and economic growth of Western Australia. I am proud to be associated with all these communities as their local member. An electorate such as Girrawheen is where the multicultural policy principle was born. Continuing to live in harmony in multicultural diversity will always question the evils of racism. Our latest crude racist, that evil bigoted Independent from Queensland, is a sad and dangerous cancer on our political horizon. This woman has the full support of Eric Butler's League of Rights, the Citizens Electoral Council, Australians Against Further Immigration, the Australia First Party and, I am told from very reliable sources, the Exclusive Brethren. The League of Rights printed and distributed Hanson's inaugural speech to the Federal Parliament. I also have expert advice that it bankrolled Hanson's *The Truth*, a very crude and racist propaganda publication. It portrays Aborigines as cannibals and whips up hatred and fear of an Asian dominated Australia.

Mr Board: Who bankrolled it?

Mr CUNNINGHAM: The League of Rights. Hanson has the Liberal Party in Queensland - nowhere else - on the run. Most of her functions in country Queensland are organised by local Liberal Party branches. I am not suggesting that is happening in Western Australia. She has the full support of her local Liberal Chairman, Steve Wilson, in her electorate of Oxley. He organised her workers on election day after she was disendorsed by the Liberal Party.

Hanson's sad, dangerous and political utterances have drawn together the bigots of Australia - there is no risk about that. There is a belief that Governments who want to win over big business need a ginger group to help divide the community while selling their most unattractive and painful policies. There is a further belief that the Howard Government needed to invent a Hanson to escape its own shortcomings. I have no doubt about that. Hanson's immigration policy is being accommodated today by the current Federal Government. Hanson supports work for the dole schemes and has continually attacked single mothers, who she claims are bludging on welfare. This evil woman is dividing our nation.

Debate adjourned, on motion by Ms McHale.

*House adjourned at 5.52 pm*

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**QUESTIONS ON NOTICE****WESTERN AUSTRALIAN INSTITUTE OF SPORT - BUDGET**

25. Dr CONSTABLE to the Parliamentary Secretary to the Minister for Sport and Recreation:

In each of the last three years -

- (a) what was the total budget for the Western Australian Institute of Sport; and
- (b) how was that budget broken down in broad terms, including -
  - (i) salaries and administration;
  - (ii) expenditure per sport; and
  - (iii) expenditure per gender?

Mr MARSHALL replied:

The Minister for Sport and Recreation has provided the following response -

(a) Operating Budget (Income)

1994/95	\$2.959m
1995/96	\$3.442m
1996/97	\$4.173m (est.)

(b) 1994/95

(i) Expenditure

Programs (including coaches and programming staff salaries)	\$1.765m
Sport Science (including scientists' salaries)	\$0.650m
Marketing/Promotion Administration (including administration salaries)	\$0.059m \$0.450m

(ii) Expenditure per Sports Programs

Athletics (m and w)	\$150,151.00
Basketball (w)	\$76,580.00
Cycling (m and w)	\$36,481.00
Gymnastics (m)	\$126,893.00
Gymnastics (w)	\$271,263.00
Hockey (m)	\$17,750.00
Hockey (w)	\$67,437.00
Netball (w)	\$68,619.00
Rowing (m and w)	\$208,328.00
Swimming (m and w)	\$112,145.00
Volleyball (m)	\$19,999.00
Tennis (m and w)	\$19,982.00
Water Polo (m)	\$66,503.00
Diving (m and w)	\$10,685.00
Individual Scholarships (m and w)	\$285,308.00

(iii) Expenditure per Gender

Note: It is not possible to separate the expenditure in the dual sex sports. The total figure for these sports has been halved for the purpose of the exercise.

Female	\$894,524.00
Male	\$641,770.00

1995/96

(i) Expenditure

Programs (including coaches and programming staff salaries)	\$2.019m
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	Sports Science (including scientists' salaries)	\$0.692m
	Marketing/Promotion Administration (including administration salaries)	\$0.068m \$0.547m
(ii)	Expenditure per Sports Program	
	Athletics	\$236,557.00
	Basketball (w)	\$72,326.00
	Canoeing (m and w)	\$108,404.00
	Cycling (m and w)	\$79,493.00
	Diving (m and w)	\$26,205.00
	Gymnastics (m)	\$131,192.00
	Gymnastics (w)	\$281,110.00
	Hockey (m)	\$16,541.00
	Hockey (w)	\$72,285.00
	Netball (w)	\$71,140.00
	Rowing (m and w)	\$214,465.00
	Swimming (m and w)	\$78,562.00
	Volleyball (m)	\$18,707.00
	Water Polo (m)	\$68,953.00
	Tennis (m and w)	\$13,968.00
	Individual Scholarships (m and w)	\$270,017.00
(iii)	Expenditure per Gender	
	Female	\$1,009,961.00
	Male	\$748,493.00
1996/97 (Estimates)		
(i)	Expenditure	
	Programs (including coaches and programming staff salaries)	\$2,252m
	Sport Science (including scientists' salaries)	\$0.981m
	Marketing/Promotion Administration (including administration salaries)	\$0.074m \$0.735m
(ii)	Expenditure per Sports Program	
	Athletics (m and w)	\$231,715.00
	Basketball (m and w)	\$81,999.00
	Canoeing (m and w)	\$82,302.00
	Cycling (m and w)	\$90,899.00
	Diving (m and w)	\$36,452.00
	Gymnastics (m)	\$156,125.00
	Gymnastics (w)	\$294,265.00
	Hockey (m)	\$31,000.00
	Hockey (w)	\$77,104.00
	Netball (w)	\$98,643.00
	Rowing (m and w)	\$205,400.00
	Swimming (m and w)	\$92,000.00
	Volleyball (m)	\$30,910.00
	Water Polo (m)	\$71,801.00
	Tennis (m and w)	\$30,000.00
	Softball (w)	\$15,000.00
	Individual Scholarships (m and w)	\$326,000.00
(iii)	Expenditure per Gender	
	Female	\$1,092,312.00
	Male	\$858,136.00

## Notes:

1. The income and expenditure figures are WAIS's total income and expenditure figures for those years. That is, they include income from the following sources -

WA Government  
Federal Government  
Corporate Sponsorship  
Fees, sale of services.

2. The salaries for the Program and Sport Science staff are included in the expenditure figures for those Departments.
3. In assessing the percentage of funding going directly to athletes' programs, the Program and Sport Science Departments' expenditure are combined as all of the activities of those departments, including salaries, are directly related to the sports programs (eg. coaches salaries, sport scientists' salaries, program coordinators' salaries).
4. In 1996/97 it is estimated that 77.5 per cent of WAIS's budget will be spent on athletes' programs. This is believed to be the highest percentage of any institute in Australia.
5. As of 1 July 1997, WAIS will commence new programs in men's Soccer and men's Baseball at an estimated cost of \$75,000.00 each.
6. WAIS programs are selected and funded in accordance with the following criteria:  
the number of registered competitors in WA;  
the talent base available in WA;  
the coaching expertise available in WA;  
WA's historical record in the sport;  
the sport's local and international profile;  
the sport's administrative infrastructure;  
the availability of training and competition facilities;  
the sport's Olympic status.

#### INDUSTRIAL RELATIONS - WORKPLACE AGREEMENTS

##### *Use*

604. Mr BROWN to the Minister for Labour Relations:
- (1) Did the Minister issue a media statement on 6 March 1997 regarding workplace agreements?
  - (2) Did the Minister say that more than 60 government agencies are now using workplace agreements?
  - (3) What are the names of each agency that has used workplace agreements?
  - (4) How many employees of each agency are employed under workplace agreements?
  - (5) Did the Minister say that enterprise bargaining has been extended beyond the Public Service to include 101 000 employees and 137 agencies?
  - (6) Are the 137 agencies government agencies?
  - (7) If not, what agencies are they?

Mr KIERATH replied:

- (1)-(2) Yes
- (3) There are currently 79 government agencies with registered workplace agreements as follows -  
Aboriginal Affairs Department  
Agriculture Western Australia  
Alcohol and Drug Authority  
Animal Resource Centre  
Art Gallery of Western Australia  
Auditor General's Office  
Burswood Park Authority  
Commerce and Trade  
Commissioner of Workplace Agreements  
Conservation and Land Management  
Contract & Management Services  
Dampier Port Authority  
Department of Land Administration  
Department of Local Government  
Department of Resources Development  
Department of Sport and Recreation

Department of Transport  
 Dept of Education Services  
 Disability Services Commission  
 East Perth Redevelopment Authority  
 Education Department of WA  
 Education Policy & Co-ordination Bureau  
 Electorate Officers  
 Equal Opportunity Commission  
 Fire & Rescue Service of WA  
 Fisheries Department of Western Australia  
 Fremantle Port Authority  
 Gascoyne Development Commission  
 Goldfields Esperance Development Commission  
 Government Health Industry  
 Great Southern Development Commission  
 Hairdressers' Registration Board  
 Herd Improvement Service of WA  
 Homeswest  
 Kimberley Development Commission  
 Kings Park and Botanic Garden  
 LandCorp  
 Library and Information Service of WA  
 Lotteries Commission  
 Main Roads Western Australia  
 Media Secretaries  
 Metropolitan Cemeteries Board  
 Mid-West Development Commission  
 Minerals and Energy  
 Nurses Board  
 Office of Energy  
 Office of Information Commissioner  
 Office of Non-Government Education  
 Office of Racing and Gaming and Liquor  
 Office of State Administration  
 Office of the Country High School Hostels Authority  
 Office of Youth  
 Peel Development Commission  
 Perth Market Authority  
 Perth Mint  
 Perth Theatre Trust  
 Pilbara Development Commission  
 Policy Office  
 Port Hedland Port Authority  
 Department of Premier and Cabinet  
 Protocol Officers  
 Public Sector Management Office  
 Public Sector Standards Commission  
 Rottnest Island Authority  
 Screenwest  
 Secondary Education Authority  
 Small Business Development Corporation  
 State Government Insurance Commission  
 State Law Publisher  
 State Supply Commission  
 Totalisator Agency Board  
 Treasury Department  
 WA Department of Training  
 Western Australia Police Service  
 Western Australian Industrial Relations Commission  
 Westrail  
 Wheatbelt Development Commission  
 WorkCover Western Australia  
 Wyndham Port Authority.

- (4) The number of employees covered by workplace agreements varies daily. It is therefore difficult to provide figures for the number of employees of each agency who are employed under workplace agreements.
- (5) Yes. Any reference to enterprise bargaining included industrial agreements, workplace agreements and certified agreements.
- (6) Yes.
- (7) Not applicable.

## SCHOOLS - DENTAL SERVICES

*Expenditure and Frequency*

674. Dr CONSTABLE to the Minister for Health:

- (1) In each of the last five years -
  - (a) how many visits were made to schools in Western Australia by dental vans;
  - (b) how many students received dental checks, or any other form of service provided by dental vans, and what years were the students in; and
  - (c) what was the total state and federal expenditure on dental services to schools?
- (2) Is it correct that -
  - (a) dental vans will now visit schools every 15 months, rather than every 12 months; and
  - (b) year 12 students no longer receive dental services?
- (3) If yes to (2)(a) or (b), why?

Mr PRINCE replied:

- (1) (a) The number of schools visited in Western Australia were -

1992	218
1993	220
1994	220
1995	211
1996	208

- (b) The number of students who received care by dental vans were -

1992	52 495
1993	53 559
1994	55 339
1995	55 217
1996	55 176

The majority of these students were in preprimary to year 11, some year 12 students are seen in remote locations.

- (c) State -
 

1991-92	\$13 284 468
1992-93	\$13 237 589
1993-94	\$13 403 431
1994-95	\$13 673 993
1995-96	\$14 136 127

Federal - No specific federal funding has been provided in the past five financial years for dental care in schools.

- (2) (a) No. In the metropolitan area visits can vary up to 14 months and in country and remote locations the visits are every 12 months.
- (b) No. Up to now the school dental service has covered only preprimary to year 11, except in remote country locations where year 12 students receive care.
- (3) Not applicable.

## COMO SENIOR HIGH SCHOOL - EXCESS LAND

*Valuation and Purchase*

734. Mr PENDAL to the Minister for Lands:

- (1) I refer to recent work by the Minister's department in connection with two hectares of land attached to the Como Senior High School, adjacent to the Collier Park Golf Course, which could be excess to the school's needs and ask has a valuation been sought and obtained?
- (2) If yes, what is the valuation?

- (3) Have any government departments or agencies, or any private sector person or body, shown any interest in purchasing this land?
- (4) If yes to (3), will the Minister indicate who such people/agencies are?

Mr SHAVE replied:

- (1) A valuation was obtained from the Valuer General's Office by the Education Department of WA in March 1996. Since that time the precise area has been modified. Further changes are possible as the proposed concept plan has not been fully discussed with the City of South Perth. A fresh valuation will be obtained once the correct area has been identified.
- (2) The valuation was \$1 650 000.
- (3)-(4) No.

#### LAND - MINIM COVE, MOSMAN PARK

##### *Purchasers of Land*

759. Dr EDWARDS to the Minister for Lands:

- (1) What information will potential purchasers of land at Minim Cove, Mosman Park be given regarding the presence of the containment cell?
- (2) What information will potential purchasers of the land be given regarding contaminants present prior to the cleanup?
- (3) What information will potential purchasers of the land be given regarding the criteria for cleanup, depth of cleanup, and estimation of risk of contamination remaining on the block to be purchased before cleanup?
- (4) Will the potential purchasers be given a certificate of cleanup by the proponent's site engineers?
- (5) What potential risk of litigation will the sales representatives for the blocks on Minim Cove carry, should contaminated wastes be found on site?

Mr SHAVE replied:

- (1)-(3) LandCorp intends disclosing to purchasers of land at Minim Cove the history of the site, the cleanup activities and location of the containment cell. Legal advice is currently being obtained on the content and form that such a disclosure should take.
- (4) Clearance to the cleanup is provided by the Department of Environmental Protection.
- (5) The cleanup will be certified by the Department of Environmental Protection as having been completed. In the absence of contaminated wastes remaining on blocks there would be no basis for litigation.

#### LAND - MINIM COVE, MOSMAN PARK

##### *Development Plans - Statistics*

764. Dr EDWARDS to the Minister for Lands:

- (1) Is it correct that by area Octennial Holdings is paying only 3 per cent of the cleanup of the Minim Cove site, yet owns approximately 50 per cent of the contaminated land by land area, including land to be the most heavily lead contaminated?
- (2) If these figures are not correct, what are the correct figures?
- (3) Has LandCorp given up approximately 4.7 hectares of saleable, mostly uncontaminated land, and Octennial Holdings 0.3 hectares, in this estate, for public open space?
- (4) If these figures are not correct what are the correct figures?
- (5) Does LandCorp retain approximately 67 per cent of its original land for sale and Octennial 97 per cent of its land, for sale?
- (6) If these figures are not correct what are the correct figures?

- (7) Is it correct that in land swaps to facilitate formation of the blocks, LandCorp has given up a greater proportion of land than Octennial to facilitate block formation?
- (8) Has LandCorp reduced its riverfront holdings while Octennial has significantly increased its riverfront holdings?
- (9) If so what are the exact details and areas affected in this determination and why has it occurred?

Mr SHAVE replied:

- (1)-(2) Octennial Holdings will pay the proportion - calculated by volume - which the quantity of contaminated soil obtained from its land and placed in the containment cell bears to the total quantity - calculated by volume - of contaminated soil obtained from the Octennial land and LandCorp and placed in the containment cell. This is currently estimated at 7 per cent but is to be verified at the conclusion of the clean up by survey of actual quantities. As the calculation of the proportional payments is assessed by volume it is not relevant to compare land areas for clean up activities.
- (3) No.
- (4) The subdivision design provides for LandCorp and Octennial Holdings to contribute land for public open space in accordance with normal subdivision conditions which require a contribution of 10 per cent public open space. It is estimated that this will equate to LandCorp 1.07 ha and Octennial Holdings 0.30 ha.
- (5) No.
- (6)

LandCorp	90 per cent.
Octennial Holdings	90 per cent.
- (7)-(8) Land swaps between the two owners are yet to occur. When this exercise takes place it will be on a 'value for value' basis rather than a land area basis.
- (9) Not applicable.

#### SCARBOROUGH BEACH ROAD - REALIGNMENT

##### *Approval*

766. Dr EDWARDS to the Minister for Lands:

- (1) What approval was sought by the City of Stirling for its work to realign Scarborough Beach Road at Innaloo near the corner of Cedric Street?
- (2) When was the approval sought?
- (3) What approval was required for this work?

Mr SHAVE replied:

- (1) The City of Stirling owned the land in freehold title that was used for this road realignment. Consequently, no approval from the Minister for Lands or the Department of Land Administration was required to carry out this work.
- (2) Not applicable.
- (3) None, however to allow traffic to use the realigned road it was necessary to have the land dedicated as public road which was requested on 4 September 1991.

#### INSURANCE - THIRD PARTY INSURANCE FUND

##### *Premiums - Increase*

944. Mr BROWN to the Premier representing the Minister for Finance:

- (1) Further to question on notice 159 of 1997, what was the total amount raised on the \$50 premium rate increase?
- (2) What was the total amount the Third Party Insurance Fund received from the premiums in the -
  - (a) 1992-93 financial year;

- (b) 1993-94 financial year;
  - (c) 1994-95 financial year; and
  - (d) 1995-96 financial year?
- (3) What was the total amount received from the \$50 premium increase in each financial year from the 1993-94 financial year?
- (4) Has an assessment been made of the 'savings' from total claims expenses as a result of the legislative changes, made by the Government in 1993, which reduced compensation entitlements of persons injured in motor vehicle accidents?
- (5) What is the estimate of the 'savings' made in each of the financial years as a consequence of the legislative change?
- (6) Of the income of \$153.5m received from investments and abnormal items, how much of that amount relates to -
- (a) investments;
  - (b) abnormal items?
- (7) What are the more significant abnormal items and investments that contributed to that income?

Mr COURT replied:

The Minister for Finance has provided the following reply -

- (1) \$158 270 843
- (2) (a) \$196 497 000  
(b) \$234 869 000  
(c) \$266 411 000  
(d) \$267 998 000
- (3) 1993-94 \$46 673 928  
1994-95 \$52 391 134  
1995-96 \$53 028 104  
1996-97 \$ 6 177 677
- (4) On the matter of the \$10 000 threshold, statistical information relating to savings on claims as a result of the 1993 threshold legislation is not maintained by the SGIC. For this type of information to be collated, a manual calculation on all 30 695 claims finalised since 1 July 1993 would be required. This would be a major and time-consuming exercise. Further complications arise as a result of Section 3T of the Motor Vehicle (Third Party Insurance) Act which requires the SGIC to consider not only payments incurred, but the likely cost of all outstanding active claims as well. For these reasons, figures are unable to be provided.
- (5) For the reasons outlined in the answer to question (4), this information is not readily available.
- (6) (a) \$144.8m  
(b) \$ 8.6m  
(These figures cover the years 1993-94 to 1995-96).

- (7) Significant items of investment income were -

Dividends from shareholdings	\$ 12.3m
Interest received	\$ 39.4m
Increase in valuations of investments	\$ 59.3m
Property rental income	\$ 34.7m
Other	\$ 7.8m
	<u>\$153.5m</u>

Abnormal income from recoveries -

Rothwells liquidation	\$7.0m
Spedleys liquidation	\$1.6m

GOVERNMENT CONTRACTS - DEPARTMENT OF CONTRACT AND MANAGEMENT SERVICES

*Number and Details*

1011. Mr KOBELKE to the Minister for Works:

- (1) How many contracts for work over \$50 000 were let by the Department of Contract and Management Services in the 1995-96 financial year?
- (2) How many formal contracts of work were let for under \$50 000 by the Department of Contract and Management Services in the 1995-96 financial year?
- (3) For each contract valued in excess of \$50 000 awarded in 1995-96 -
  - (a) who was the successful contractor;
  - (b) what was the value of the contract;
  - (c) what was the nature or description of the work to be undertaken under the contract;
  - (d) in which cases were there variations to the contract which resulted in an increased cost and, if so, what was each such cost increase?

Mr BOARD replied:

- (1)-(3) The Department of Contract and Management Services lets numerous contracts on behalf of government agencies which do not have the delegated authority to do so on their own. The Government supports in principle the Commission on Government recommendation 11 concerning the future public disclosure of contract information. In terms of the information requested, it would require an extraordinary amount of resources which I do not have and therefore cannot allocate to that task. In the future, we hope to have such information available.

AMBULANCES - METROPOLITAN

*Servicing*

1035. Mr McGINTY to the Minister for Health:

- (1) Can the Minister confirm that all ambulances in the metropolitan area are serviced at the central depot in Belmont?
- (2) If yes to (1), does it put lives at risk?
- (3) If yes to (1), is it a waste of resources?

Mr PRINCE replied:

- (1) All ambulances operated by the St John Ambulance Association - WA Ambulance Service in the metropolitan area are serviced at the Belmont depot.
- (2) No.
- (3) No. The St John Ambulance maintain an adequate number of ambulances to ensure that the metropolitan fleet can be maintained at full strength at all times.

SCHOOLS - PLAYGROUND SAFETY PROGRAM

*Introduction*

1038. Mr RIPPER to the Minister for Health:

In how many schools in 1997-98 will the Health Department introduce the playground safety program reported in *The West Australian* of 9 April 1997?

Mr PRINCE replied:

Two hundred.



**QUESTIONS WITHOUT NOTICE****AIRPORTS - PERTH INTERNATIONAL***Sale - Trading Hours***282. Ms MacTIERNAN to the Premier:**

I refer to the announcement yesterday concerning the sale of Perth International Airport -

- (1) Does the sale agreement commit the company to comply with the State's retail trading hours?
- (2) Has the Government given any consideration to granting special retail trading hours for the airport?
- (3) Given that the airport is a natural monopoly, what protection will be in place at the end of the five year price regulation period to contain the cost of aeronautical services?

**Mr COURT replied:**

- (1)-(3) I said yesterday the Government was arranging a detailed briefing on that sale for members on both sides of the House. As the member for Armadale knows, the airport runs 24 hours a day. It would obviously trade at those times.

Mr Ripper: What about business developments on airport land?

Mr COURT: I will come to that. The big concern of the Government previously was that the airport was planning major retail developments that would affect retail operations in the member for Belmont's electorate, in particular. The Government was opposed to developments occurring outside the State's normal planning processes. The Federal Government has told us that it is all incorporated; that is, it must comply with provisions such as the state planning laws. The member for Armadale's specific question was about retail trading hours. I thought at an airport the retailers would trade whenever the airport was open.

Ms MacTiernan: Will it be 24 hour trading?

Mr COURT: Fuel and other services are provided 24 hours a day. I cannot answer the question in detail without having that detail in front of me. That is why I said yesterday that I think it is important that members are fully briefed on the agreements that have been entered into.

**AIRPORTS - PERTH INTERNATIONAL***Sale - Aeronautical Services***283. Ms MacTIERNAN to the Premier:**

My supplementary question is to part (3) of the original question: Given that the airport is a natural monopoly, what protection will be put in place at the end of the five year price control period to regulate aeronautical services?

**Mr COURT replied:**

I think the main control will be the marketplace.

Ms MacTiernan: They may fly to Leonora rather than to Perth.

Mr COURT: If an airport does not provide competitive charges or advice - it concerns not only passengers but also freight services and the like - we will not attract the growth. We must have an efficient airport. Based on past experience I have much more faith in the private sector running the airport than the Federal Government.

**FISHING - PENSIONER PLATFORMS***Dawesville Channel Entrances***284. Mr MARSHALL to the Minister representing the Minister for Transport:**

Six months ago, at the request of an age pensioner, the Minister for Transport agreed to investigate the possibility of building fishing platforms for pensioners at both the Mandurah and Dawesville entrances of the Dawesville Channel.

- (1) Does the Minister's department still intend to erect these platforms?
- (2) If so, when will they be erected?

**Mr OMODEI replied:**

I thank the member for some notice of this question.

The Minister for Transport has supplied the following response -

As the member will know, the Dawesville Cut project is very successful.

Mr Graham: A great initiative wasn't it?

Mr OMODEI: It was. However, the then Labor Government forgot to build some platforms for elderly fishermen. When I drive home on Thursday nights and see that beautiful green water dotted with fishing boats, I appreciate the merits of building platforms for pensioners or people who are less mobile.

I understand that the main concern is about the entrance to the cut where wave damage to some of the barricades could create loose stones. The Minister has told me that his department is investigating suitable sites for platforms along the channel that will be accessible to pensioners, with their burley and their Stone's Green Ginger Mac, to take advantage of the excellent fishing there.

The Minister told me we can expect something to happen there within three months. I am sure the member for Dawesville and I will be able to keep him to that.

#### MOTOR VEHICLES - POLICE ESCORTS

##### *Size Regulations*

**285. Ms MacTIERNAN to the Minister for Labour Relations:**

- (1) Has WorkSafe WA given advice to the Government on the safety implications of the new regulations which raise the size threshold of vehicles requiring police escorts?
- (2) Did that advice support the change to the regulations?
- (3) Will the Minister table that advice?
- (4) If not, why not?

**Mr KIERATH replied:**

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

#### INDUSTRIAL DEVELOPMENT - MID WEST IRON AND STEEL PROJECT

##### *Geraldton Community Support*

**286. Mr BLOFFWITCH to the Minister for Resources Development:**

The Minister will be aware of the enthusiasm of the Geraldton community for the \$1.4b mid-west iron and steel project proposed for the Oakajee industrial estate.

Will the Minister allay concerns expressed to me this morning that the project may be jeopardised if it does not receive the unequivocal support of the Parliament.

**Mr BARNETT replied:**

I thank the member for that question.

I am sure people from the Labor Party who monitor the media will be aware of the great anxiety among local government and the business community in Geraldton today as a result of the antics by members opposite. When the member for Eyre puts out a press release saying he will establish a select committee into a project -

##### *Point of Order*

Mr RIPPER: Standing Order No 110 states that -

In answering any such question, a member shall not debate the matter to which the same refers.

The Minister is deliberately seeking to abuse question time by debating a matter that was before the House prior to question time and will be before the House after question time. The Minister is participating in debate, rather than providing information to the House.

The SPEAKER: There is some question over this matter. Members can ask questions of Ministers, and Ministers can provide answers as long as they are careful about the detail they give. It is for the Minister to judge whether this question is exactly in line with the debate currently before the House. I will allow the question, but I forewarn members that the question relates to a Bill before the House and there is some doubt about the questions that can be asked about it.

*Questions without Notice Resumed*

Mr BARNETT: The question referred to the reaction in Geraldton. There has been considerable reaction in Geraldton, particularly from local government and the business community. Geraldton has not been in a strong economic position, apart from its agricultural and rural industries, for a long time. This project has obviously been strongly supported within the community. I am conscious that many young people are in the Public Gallery at the moment. Unlike many other resource projects, this is a value added project. The development provides skilled jobs and opportunities for training scientists, control operators, process operators and metallurgists. It will involve levels of skill and career opportunities not typically associated with major projects.

Dr Gallop: Why was it not debated in March? Explain that, if it is so important.

Mr BARNETT: The Leader of the Opposition should keep to the point of order; I am not debating the Bill. The member for Geraldton raised the question because he has been dealing with people in his constituency this morning who can see -

Dr Gallop: Why have they not contacted the Opposition, if they are so concerned?

Mr BARNETT: They have given up on the Opposition. People in Geraldton and the mid-west can see a great opportunity for development and careers, together with all the benefits that flow from that. Already a nervousness has developed in Geraldton.

Several members interjected.

Mr BARNETT: Members opposite think this is a joke.

Dr Gallop: You are making an absolute mockery of this issue because you have lost touch with your own reality. You do not even know what you are doing. You are on a planet somewhere.

[Applause from the gallery.]

The SPEAKER: I indicate to those in the Public Gallery that we like to see people in the Parliament observing the proceedings. As I have said before, people are welcome here on the condition that they do not interfere with the proceedings in the House. I give that reminder because we want people to stay in the gallery, and I do not want to be forced to take action that curtails that. While on my feet, I indicate to members that a barrage of interjections had developed which is not acceptable.

Mr BARNETT: This is a big and complex development, with all sorts of economic and social implications for the Geraldton region. It has a lot of community interest. The project has a number of hurdles to overcome, such as raising equity and debt finance, and meeting environmental assessments and all the planning changes. There is much to be done. The last thing the proponents need is political interference.

Dr Gallop: Why was it not debated in March?

Mr BARNETT: Because members opposite requested that it be delayed.

LABOUR RELATIONS LEGISLATION AMENDMENT BILL - AMENDMENTS

*Criminal Penalties*

**287. Mr KOBELKE to the Minister for Labour Relations:**

- (1) Did the Minister say that his amendments to the Labour Relations Legislation Amendment Bill would mean that "individual workers who break secret ballot provisions will no longer be subject to criminal penalties"?
- (2) Is it true that it still will remain illegal for a union member to participate in any form of strike not approved in accordance with proposed section 97B of the Bill?

- (3) Is it not also true that under section 7 of the Criminal Code, a worker in contravention of proposed section 97B of this Bill will still be subject to criminal penalties as far as that person may have helped another person commit the offence of striking?

The SPEAKER: Order! Will the member provide me with a copy of that question? It appears that it may be asking for an opinion, which is something I ruled out of order recently.

Mr KOBELKE: The first question simply asks the Minister to confirm something in his press release. The second question asks him about a provision of his Bill which is in another Chamber. The Minister is amending the Bill in that place as we have already debated it in this place, and the measure is of great significance to the people of this State. The third question relates to the effect of the Criminal Code on those two matters.

The SPEAKER: Order! I will consider the matter and return to it later in question time; I will take a little advice.

#### CHILD CARE CENTRES - CLOSURES

##### *Federal Government Funding Cuts*

#### **288. Ms ANWYL to the Minister for Family and Children's Services:**

I refer to yesterday's child care industry red alert day, and ask -

- (1) How many child care centres have closed in Western Australia since last year's federal Budget?
- (2) Will the Government assist remaining centres which face further cuts to operational subsidies after 1 July 1997?
- (3) What representations has the Minister made to her federal counterpart to stop further funding cuts to child care centres?

#### **Mrs PARKER replied:**

I thank the member for her question.

- (1)-(3) The child care industry certainly faces a period of change. We are now waiting for the outcome of the federal Budget and the announcement of the national planning framework.

Ms Anwyl: It will be too late then.

Mrs PARKER: We need to know the circumstances in which we will work.

Mr Marlborough: Have you spoken to your federal colleague?

Mrs PARKER: If the member will be quiet, I will answer.

Soon after I was appointed Minister, I met my federal colleague, along with representatives from the federal sector and her office, both in Perth and Canberra to discuss the difficulties experienced. I also met peak groups in Western Australia and kept my department in contact with the consultation process in developing this national planning framework.

At one of the meetings I had with the federal Minister, she agreed to renegotiate one of the agreements in which Western Australia was disadvantaged by the withdrawal of operational subsidies. That renegotiation continues at departmental officer level, and we will be far better off for it.

Regarding support given, child care funding is a commonwealth responsibility and the Commonwealth has made available some support through management advice to centres with a reduction of operational subsidies. Family and Children's Services also acknowledges the difficulty and at all times we have tried to provide services and management support to child care centres.

Dr Gallop: How many have closed?

Mrs PARKER: A number have closed, but we have been helping centres through this difficult time. We have made submissions, as did the former Minister. Although the Federal Government has responsibility for funding, we are providing whatever support we can at a state level. We have made application, submission and suggestion to the national planning framework discussions so grass roots difficulties are represented. I certainly look forward to the announcement and the details of the national planning framework and will continue to support industry. I encourage all people involved in child care to attend the seminar the Government has scheduled for 27 May. The seminar will have all the details before it to enable proper discussion on the issue because by then the federal Budget will have been brought down and the details of the national planning framework released.

The SPEAKER: With respect to the previous question I advise the member for Nollamara that part (1) was in order and I am ruling parts (2) and (3) out of order. Advice is available from the Clerks if the member wants to reword them. I will give him the call shortly.

#### CHILD CARE CENTRES - CLOSURES

##### *Federal Government Funding Cuts*

#### **289. Ms ANWYL to the Minister for Family and Children's Services:**

- (1) How many child care centres have closed in Western Australia since the federal Budget cuts were announced?
- (2) Will she table all correspondence between herself and her federal counterpart on further funding cuts which are projected to be at least \$400m?

#### **Mrs PARKER replied:**

- (1)-(2) I will give advice to the House on those matters in due course.

#### EMPLOYMENT AND TRAINING - UNEMPLOYMENT

##### *Latest Figures*

#### **290. Mr MASTERS to the Premier:**

Will the Premier advise the House on the latest unemployment figures for Western Australia released today by the Australian Bureau of Statistics?

Ms MacTiernan: How many jobs have been lost?

#### **Mr COURT replied:**

I thank the member for some notice of this question. I acknowledge the interjection by the member for Armadale. The fact is that Western Australia has consistently had the lowest unemployment levels in the nation.

Ms MacTiernan: Its participation rate has increased.

Mr COURT: There are 23 500 more people working today than one year ago. Unemployment decreased slightly. Fortunately, youth unemployment has decreased from 24 per cent to 18.7 per cent, which is the lowest for 18 months. It is a very positive direction. At a time when unemployment is becoming a major issue in this nation, it is important to recognise that in Western Australia, where there have been major changes to the industrial relations system and more flexibility and choice in the system, employment has been encouraged.

Several members interjected.

Mr COURT: There is no better example than in the Karratha and Burrup areas where there has been more choice and flexibility in the workplace.

Mr Kobelke: The ABS figures which came out today show a decrease in the last two months.

Mr COURT: I thought a decline in unemployment is something members opposite would support.

The Government was told that the current changes to the industrial relations system in this State would lead to higher unemployment and lower wages. None of that has occurred. This State has the best employment record in this country. It is time members opposite accepted that change has occurred and will continue to occur. Unlike in the United Kingdom where the new Labour leader is prepared to accept change, members opposite are not prepared to accept change.

#### LABOUR RELATIONS LEGISLATION AMENDMENT BILL - AMENDMENTS

##### *Criminal Penalties*

#### **291. Mr KOBELKE to the Minister for Labour Relations:**

Mr Speaker, after accepting your advice, I wish to rephrase the question I asked earlier:

- (1) Did the Minister for Labour Relations say that his amendments to the Labour Relations Legislation Amendment Bill would mean that individual workers who break secret ballot provision will no longer be subject to criminal penalties?
- (2) Is it still his policy that it should be illegal for union members to participate in any form of strike not approved in accordance with proposed section 97B of the Bill?
- (3) Does he also support the effect of section 7 of the Criminal Code that a worker striking in contravention of section 97B of his Bill is still subject to criminal penalties as far as that person is deemed to have helped another commit the offence of striking?

**Mr KIERATH replied:**

- (1)-(3) If the member had bothered to read the press release - and I assume as opposition spokesperson on labour relations he has bothered to read the Bill -

Ms MacTiernan: We don't get copies of your press releases.

Mr KIERATH: I will ensure that the member for Armadale receives them in future, if she wishes.

This House debated at length the provisions of the Bill which imposed criminal penalties for people breaching the strike provisions. One provision related to union officials and the other related to workers. In response to a case put forward by some responsible people in the labour movement the Government agreed to remove that part of the Bill relating to individual workers, but retained the provision relating to union officials who incite others to breach the Act.

The member for Nollamara is now trying to be cute by raising other penalties in the Criminal Code. I am not qualified to talk about the Criminal Code, but if he wants to put part (3) of the question on notice I will be happy to seek the advice of the Attorney General.

In answer to the second part of the question, general penalties in the Industrial Relations Act will continue to apply if someone breaches its provisions. That is plain for everyone to see. The clause that was removed had additional penalties over and above the general penalties provision of the Industrial Relation Act, so when that clause and those specific penalties were removed we arrived back at the general provisions for breaches of the Industrial Relations Act.

## INDUSTRIAL RELATIONS - DISPUTES

### *Transport Workers Union - Fuel Prices*

#### **292. Mrs van de KLASHORST to the Minister for Fair Trading:**

As I come from an outer metropolitan electorate with minimum public transport, which means that people are heavily reliant on the use of vehicles, will the Minister advise what action he is taking to minimise any possible adverse effect on fuel prices and advise the public how to cope with the present industrial action by the transport unions?

**Mr SHAVE replied:**

For those who are not aware, the Transport Workers Union went on strike last night and made a decision today to stay out until Sunday night. This has caused some concern in the public sector. The Government is grateful for the way Western Australians responded to the union's interference to electricity supplies last week and urges people not to panic and to use public transport services if necessary. To prevent some retailers profiteering from the inconvenience of this strike the Government will introduce provisions today, which will come into effect on Monday, to prevent service station owners and managers increasing the prices they charge for petroleum products. That is available under the Act.

Ms MacTiernan: When are they on strike until?

Mr SHAVE: They are going out on strike until Sunday night, unless some sensible changes are made to their decision.

The member talks about something coming in on Monday. Under the legislation we are required to gazette it. We cannot take action until those gazettals have taken place. We did that this morning in response to the decision made last night. These are the minimum time frames available to the Government.

To address this situation, people can make sure that they do not make unnecessary trips and they can look at car pooling with friends, neighbours and work colleagues. The Ministry of Fair Trading has established a hotline, the

number being 9222 932. The Ministry will welcome all calls from people who believe excessive charging is taking place or those who need advice, and it will assist them where possible. The Ministry also has inspectors checking on the performance of various fuel outlets. The Government stresses that the small retailers and service station operators in the main are very ethical. A small minority might wish to take advantage of the situation. If that practice were to happen, the fines would be very severe and any operators engaging in such activities would be well advised not to act in that way.

#### **EAST PERTH REDEVELOPMENT AUTHORITY - CHAIRMAN**

*Hon Richard Lewis - Appointment*

#### **293. Dr EDWARDS to the Minister for Planning:**

I remind the Minister of the Government's promise of open and accountable government and again I ask -

- (1) Who recommended Richard Lewis to him for the position of chairman of the East Perth Redevelopment Authority?
- (2) Was it the Premier, was it Mr Lewis, or has the Minister again misled the Parliament?

**Mr KIERATH replied:**

- (1)-(2) I thought I gave a comprehensive answer to this question yesterday, the day before and probably the day before that. Quite obviously I have not mentioned who recommended Richard Lewis. I can assure the member that it was not the former member for Applecross.

#### **POLICE - NUMBERS**

*Budget Papers*

#### **294. Mrs HODSON-THOMAS to the Minister for Police:**

- (1) Will the Minister advise the situation with regard to the number of police personnel in the metropolitan region in the 1997-98 budget papers, by comparison with the figure for 1996-97?
- (2) What is the situation in other regions?

**Mr DAY replied:**

- (1)-(2) This matter was raised yesterday. I said that I had no doubt there was a good reason for the apparent decline, and indeed there is.

Mrs Roberts: You are not recruiting police officers at the same rate any more.

Mr DAY: If the member will let me continue with the answer, she might find out the facts.

Mrs Roberts: That would be interesting because you didn't know them yesterday.

Mr DAY: I fully admit that, but it was because I did not have the budget papers in front of me. However, I found out about the correct situation before I put out a press release, unlike the opposition press release which was designed to encourage public concern more than anything else. Over the past two years the additional 500 new recruits have been notionally allocated to the metropolitan region. Had the member for Midland looked at the other figures on the same page, glanced down another centimetre or two, she would have seen that there have been significant increases in other areas. For example, in Albany, Kalgoorlie, Karratha and Broome, there has been an increase of 71; in the crime operations area, an increase of 122; and in the traffic and operations support area, an increase of 39.

Mrs Roberts: Don't mislead the Parliament. The figure in the column says it is 60.

Mr DAY: No; I am simply giving the figures that were on the same page at which the member looked yesterday.

Mrs Roberts: Tell us about the net increase.

Mr DAY: I will come to the net increase in a moment. There has been an increase in the professional standards portfolio of 22. Far from being critical of the Government, these figures confirm the very positive support both in financial and human resources terms that it has provided to the Police Service over the past four years, and is continuing to provide. The net increase is 73 from this financial year to the next financial year. As I said, it is a very good story.

**GLOBAL ARTS FOUNDATION - INCORPORATION**

*Mr Peter Reynolds*

**295. Ms McHALE to the Premier:**

- (1) Is the Premier aware that Mr Peter Reynolds was so happy with the success of the Global Dance Foundation that on 16 October 1995, just four months after setting up the foundation, he advised *The West Australian* that he would be applying for the incorporation of the Global Arts Foundation?
- (2) Is the Premier aware that on 1 January 1996 the Global Arts Foundation was incorporated?
- (3) Can the Premier give the House an assurance that, firstly, the Global Arts Foundation has not applied for any form of funding from the State Government and, secondly, if it did, no funding was forthcoming?

**Mr COURT replied:**

- (1)-(3) The member gave some notice of this question about a week ago. Notice has also been given of this question in the other House. The answer is no to the first two parts of the question. I am not aware of the matters that have been raised in this question. I am also not aware of any approach for funding that has been made. If the member puts the question on notice, I will ask each of the Ministers to see whether there has been any. I certainly am not aware of any.
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