

# Legislative Council

Wednesday, 23 March 1994

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

## MINISTERIAL STATEMENT - MINISTER FOR EDUCATION

### *School Rationalisation*

**HON N.F. MOORE** (Mining and Pastoral - Minister for Education) [2.34 pm] - by leave: Further to my comments yesterday which stated -

I determined that no Western Australian Government school would close under the rationalisation process unless the majority of parents of students at that school were in agreement.

I now seek to clarify the situation in the event of a school staying open as a result of a parent vote. The Government's unequivocal position is that the support level of that school will remain according to formulas in relation to human, physical and financial resourcing.

**HON JOHN HALDEN** (South Metropolitan - Leader of the Opposition) [2.35 pm] - by leave: I think this matter can be resolved by way of interjection to clarify one matter. I hope the Government when making this statement is saying that the Government's unequivocal position on the support level of schools in relation to human, physical and financial resourcing, applies to the schools as they currently are.

Hon N.F. Moore: As they are entitled to be at any particular time.

Hon JOHN HALDEN: I thought that might be the case.

Hon N.F. Moore: If you want to argue about this, move a motion and do something substantive rather than -

**The PRESIDENT:** Order!

Hon JOHN HALDEN: I do not want to debate this matter now.

Hon N.F. Moore: Well, you are.

**The PRESIDENT:** Order!

Hon JOHN HALDEN: Whenever we are ready we will deal with the two incompetent Ministers over there.

**The PRESIDENT:** Order! The member will come to order. I have just been listening to debate in another place and talking to some people about the behaviour of members in that place. One of the things they were doing was continuing to carry on conversations, interjections and argument while the person in charge of that other place was speaking. Only 10 minutes ago I said that would never happen in this place, and yet we have been in this Chamber for one minute and members are proceeding to do that. I show off when I am speaking to people of the other place about the good behaviour and decorum that is exercised by honourable members in this place. Sometimes I do it with my tongue in my cheek, but in the main I do it with great sincerity because we enjoy a standard of decorum in this place that is befitting of a House of Parliament. I am not asking members not to interject, as long as it is not excessive, but when I am speaking members must come to order otherwise we shall be as bad as that other place.

Hon JOHN HALDEN: I am sorry that I may have been speaking while you, Mr President, were speaking. I am sure others were also but I am happy to apologise. It is unacceptable for the Government to make a commitment that the support levels will remain the same as they are at whatever point in the future, because I have before me a proposed change in primary school staffing, which is being considered by the department -

*Point of Order*

Hon N.F. MOORE: I made a brief ministerial statement relating to one aspect of the school rationalisation process, and I am not at liberty to argue with the member who seeks to introduce other material and to debate other matters. I am happy to debate anything at any time with that man.

The PRESIDENT: What is the point of order?

Hon N.F. MOORE: He is out of order in the issues he is raising.

The PRESIDENT: I agree that the member is out of order. The member is not making a statement in response to the statement made by the Minister. He is raising some debatable matter and he is not allowed to do that. I do not know how one responds to a ministerial statement on the spot. The member is very courageous in endeavouring to do it, unless he was told about it beforehand.

Hon John Halden: That is not the case.

The PRESIDENT: Therefore, the Leader of the Opposition is at a disadvantage, but that is the way the place works. When a member receives leave to comment he should endeavour to conform with the requirement that he not introduce debatable matter or start arguing with the Minister about his statement. We have a procedure that allows a member to move that the Minister's statement be made an order of the day to enable it to be discussed by all members of the House. Then, all the frailties or inadequacies contained in the statement can be dealt with. There are other procedures, but I will not go into them. The point is that we should not start the day with arguments.

*Debate Resumed*

Hon JOHN HALDEN: The ministerial statement is not unequivocal. There are considerations within the Education Department currently to change this commitment -

*Point of Order*

Hon N.F. MOORE: I have already raised a point of order on the matter that the member is seeking to raise. It is not part of the ministerial statement. The statement relates to one issue; that is, the question of whether resources will be made available to schools that remain open after they have decided to do so. The statement is not about changes to the rules of employment for teachers. If the member wishes, I will debate a substantive motion on this matter at any time.

Hon John Halden: You are running for cover!

The PRESIDENT: Order! I do not want members to deliberately try to make me cranky; whether it is deliberate or not, they are having the right effect. The Leader of the Opposition should not embark on introducing a debatable question. The House has given the Leader of the Opposition leave to comment. He should make some comment regarding the ministerial statement; he should not raise other debatable issues. I wonder whether the Leader of the House can do that within the next couple of seconds.

*Debate Resumed*

Hon JOHN HALDEN: I am sure I can. This is not an unequivocal guarantee by the Minister.

Hon N.F. Moore: Very profound!

Hon JOHN HALDEN: The Minister is running for cover.

Hon P.R. Lightfoot: Chuck him out!

The PRESIDENT: Order!

**PETITION - COMO SENIOR HIGH SCHOOL, GYMNASIUM-  
PERFORMING ARTS CENTRE, FUNDING**

The President (Hon Clive Griffiths) presented a petition signed by 478 citizens of

Western Australia requesting the Legislative Council to recommend to the Government that it give a firm undertaking to include an appropriate allocation in the 1994-95 Education budget for a gymnasium/performing arts centre at Como Senior High School.

[See paper No 1204.]

**NOTICE OF MOTION - EDUCATION AMENDMENT REGULATIONS  
(No 4), DISALLOWANCE**

**HON JOHN HALDEN** (South Metropolitan - Leader of the Opposition) [2.46 pm]: I give notice that at the next sitting of the House I shall move that the Education Amendment Regulations (No 4) 1993 published in the *Government Gazette* on 7 December 1993 and tabled in this House on 8 December 1993 be and are hereby disallowed.

**Hon N.F. Moore:** Why not give the committee time to do its work?

**Hon JOHN HALDEN:** It is not doing a good enough job.

Several members interjected.

**Hon N.F. Moore:** You are an absolute liar.

**The PRESIDENT:** Order!

*Withdrawal of Remark*

**Hon JOHN HALDEN:** The Minister referred to me as an absolute liar. The comment is unparliamentary and should be withdrawn.

**The PRESIDENT:** I did not hear the remark, but if the Minister said that he must withdraw.

**Hon N.F. MOORE:** I withdraw the remark that the member is an absolute liar.

**MOTION - URGENCY**

*Collie Power Station Project, 300 MW Abandonment, 600 MW Construction*

**THE PRESIDENT** (Hon Clive Griffiths): I have received the following letter -

The Hon Clive Griffiths MLC  
President  
Legislative Council  
23 March 1994

Dear Mr President,

At today's sitting, it is my intention to move under SO 72 that the House, at its rising adjourn until 9.00 am on December 25 1994 in order to discuss the urgent need for the Government to abandon its proposal to build a 300 megawatt power station at Collie and to immediately proceed with the construction of a 600 megawatt power station to more adequately cope with the increased demand for power and bring economies of scale not available with the smaller power station.

Yours sincerely,

Mark Nevill MLC

The member will require the support of four members in order to move the motion.

[At least four members rose in their places.]

**HON MARK NEVILL** (Mining and Pastoral) [2.48 pm]: I move -

That the House at its rising adjourn until 9.00 am on 25 December 1994.

**Hon E.J. Charlton:** When you were in Government it is a wonder they did not support your plans to build the power station.

Hon MARK NEVILL: I will get to that. My subsequent motion will call on the Government to suspend its proposal to build a 300 MW power station at Collie and to immediately proceed with the construction of a 600 MW power station to more adequately cope with the increased demand for power and to bring economies of scale not available to smaller power stations. I understand that the contract has not been signed. The Government still has a chance to obviate the mistake it is about to make. The citizens of this State will bear the folly of the Government's actions with increased tariff charges over future decades. The principle of not going to tender on such a large contract is absolutely unprecedented.

I refer to an article in *The West Australian* on 22 March by Harold Clough. The thrust of the article is that Governments should not negotiate while they are under obligation. In the article in *The West Australian* Harold Clough, a respected industrialist, states -

... The Government should not have negotiated with multinational Asea Brown Boveri while Energy Minister Colin Barnett believed there was some obligation to the company.

He went on to say -

One of the rules of negotiation is you never negotiate when you are under an obligation, you clear up the obligation - it doesn't matter how much that costs you.

It is cheaper to clear that up and negotiate from a level playing field.

The article continues -

The Opposition has called on the Government to pay any compensation deemed legally owed to ABB and open the project to tender.

We have been consistent all the way along. Mr Clough said that a Government should never negotiate when it is under an obligation. An article by Malcolm Quekett in today's *The West Australian* states -

Mr Barnett conceded that ABB would probably have taken legal action against the Government if it had not been given the sole right to develop the project when the coalition won power.

The article concludes by saying -

It offered ABB first chance at the new deal after Mr Barnett said the Government had a moral obligation to do so.

Here we have a Minister of the Crown negotiating with ABB when he considers that he is under both a moral and legal obligation. When one negotiates in such a situation, one has no way of knowing whether the price is right. We have only to refer to the experience in Indonesia a few months ago when President Suharto stepped in on a very similar deal, which coincidentally involved Asea Brown Boveri. In that case a number of Indonesian power stations were under construction and there was a need to increase the generating capacity. The authorities in Indonesia went into negotiations with the group ABB, which was constructing the power stations, to increase the capacity. That project did not go out to tender. The negotiations went on interminably and the final price was extremely high. That is a very similar situation to the one which has occurred here. The President of Indonesia issued a decree. He said, "You either lower your price or these increases to generating capacity go out to tender." That resulted in a \$370m reduction in price overnight. That is what happens when we negotiate when under an obligation. Clearly that is the situation in Western Australia.

The Minister has said that the power station will be built at a cost of \$575m. Clearly that is too high. In August last year the Minister said that it would cost \$500m. We are told that Transfield Construction Pty Ltd is prepared to build the same power station for \$520m or less.

Hon W.N. Stretch: Has Transfield seen the new specifications?

Hon MARK NEVILL: I do not know. Has Transfield been given a copy of the new specifications?

Hon W.N. Stretch: No.

Hon MARK NEVILL: How does the member know that the Government is getting a fair price?

Hon George Cash: Did Transfield tell you they could build it for \$520m?

Hon MARK NEVILL: It is on the public record. Transfield has stated that in the Press. It has not denied it.

Hon George Cash: Have you had discussions with Transfield?

Hon MARK NEVILL: No. I have not.

Hon George Cash: Have any of your colleagues?

Hon MARK NEVILL: I am not sure. My colleagues have had discussions with Transfield but I do not know whether those discussions have been on this subject. I am going on public information in the Press which has not been denied. This Government is paying \$55m in additional capital costs for this power station in Collie. That translates into an additional \$5.75m a year which Western Australians will be paying in additional electricity costs.

Hon N.F. Moore: Have you taken account of what the two prices actually deliver in terms of a power station?

Hon MARK NEVILL: Transfield has publicly stated that it will build this power station for \$520m or less. We will never know the cost of building the power station unless the project is put out to tender. The Minister is negotiating with ABB when he is under obligations which he says are both legal and moral. He is not putting the project out to tender. That is why the Government is getting screwed.

Hon George Cash: Is Transfield aware of the new environmental guidelines and requirements in respect of the power station?

Hon MARK NEVILL: The Government should provide them to Transfield so that it can get the pricing right, if that is the case.

Hon N.F. Moore: I think you are just upset that you did not deliver the goods. In all of the time when you messed around, you did nothing. You are just carrying on. You are the negative whingers.

Hon MARK NEVILL: If the member believes that not putting out to tender a \$500m power station is not unprecedented, there must be something wrong with the Government.

Hon Tom Helm: Of course there is.

Hon MARK NEVILL: That is the sort of thing that the Government, when in Opposition, accused us of doing.

Hon George Cash: We are carrying on with your obligations.

Hon MARK NEVILL: By opting for a 300 MW power station, the Government has locked Collie into poor economies of scale.

Hon W.N. Stretch: That is absolute poppycock.

Hon MARK NEVILL: I will point out why. Hon Bill Stretch should get his head out of the sand. As a member for that area he should stand up to the Government and do some good for his constituents who have been short changed. They have ended up with a toy power station. The Government has made an absolute mess of this deal.

Hon W.N. Stretch: What about your four years in Government?

Hon N.F. Moore: You did absolutely nothing and will not give credit where it is due.

The PRESIDENT: Order!

Hon MARK NEVILL: A 600 MW power station is more economical than a 300 MW power station. It will result in lower power costs. Because larger tonnages of coal are needed for the 600 MW power station, the coal required will be cheaper. That 600 MW power station would have resulted in the greenfields open cut mine using the latest technology and equipment. The lower costs that occur by using those tonnages of coal cannot be achieved with a 300 MW power station and the prices cannot be reduced.

Hon W.N. Stretch interjected.

Hon MARK NEVILL: Yes. That is costing the taxpayers of this State more money than it should because the Government will not put the project out to tender.

Hon W.N. Stretch: You were talking about \$2b.

Hon MARK NEVILL: The indications are that Griffin Coal Mining Co Pty Ltd will not move into a new open cut mine at Ewington unless tonnages of coal over and above those negotiated for a 300 MW power station are needed. The Ewington mine will not open. Western Collieries Ltd will move into the new Premier open cut mine, but it will be phased in over a much longer period, at least five years. The Government has denied the residents of Collie the new mines which would have provided jobs for those who have been retrenched from underground mining. As I understand it, SECWA has, within the past few weeks, signed new contracts for coal with Western Collieries at a price estimated at \$40 a tonne; whereas the private tenders for coal for the independently funded power station were between \$29 and \$30. The Government cannot deny that.

Hon George Cash: Are you suggesting the new power station will only be able to burn one type of coal?

Hon MARK NEVILL: Are there different types of coal available at Collie?

Hon George Cash: Yes.

Hon MARK NEVILL: It is all sub-bituminous coal.

Hon George Cash: Yes, but there are two companies supplying it and it is different quality.

Hon MARK NEVILL: And while two companies are there, there will be competition. However, it does not matter because there will be no economy of scale.

Hon George Cash: Are you suggesting that only one company will be the supplier?

Hon MARK NEVILL: No. I am suggesting that tenders for coal for a 600 MW power station came in at \$29 to \$30 a tonne. The price that SECWA has negotiated in recent weeks is \$40 a tonne simply because economies of scale into the future cannot be achieved.

Hon P.R. Lightfoot: They were \$38, if my memory serves me correctly. You are referring to the top end.

Hon MARK NEVILL: The figure I have is \$40 a tonne. If the member does not believe that that is the price of coal that is available, I will refer him to an article in *The West Australian* on 17 February which quotes the Minister for Resources Development, Mr Barnett -

Should SECWA have cut the length of Western Collieries contracts to leave the door open for competition from eastern states and Indonesian coal suppliers?

No, says Mr Barnett. He says prices of around \$30 a tonne could have been achieved only under the 600 MW power station proposal, which offered far bigger economies of scale for coal producers.

The Government has missed that opportunity.

A public 300 MW power station will add considerably to SECWA's present debt of about \$4b. A private power station of 600 MW capacity would not add to public debt at all.

Hon Barry House: But 70 per cent is going to be found out of operating profit.

Hon MARK NEVILL: That is so, but there will still be a substantial addition to State debt, which the Government has made a commitment to reduce to zero by 2010 in its previous policy statement.

Hon Barry House: But your Government was talking about indemnifying somebody for \$2b.

Hon MARK NEVILL: It is blowing out. The rhetoric and the reality are very different. SECWA and the Government have badly underestimated increases in power demand. It was argued in the other place that there was not sufficient demand for a 600 MW power station, even though it was quite clear that the Western Australian economy was growing. I will explain to members a myth that has been going round. People talk about our coming out of recession. Western Australia never went into negative growth. Australia as a whole went into negative growth, but this State did not. We never technically went into a recession.

Hon George Cash: Tell that to the 100 000 people who are unemployed.

Hon MARK NEVILL: That might be a rather crass political comment, but I ask the Minister to say whether Western Australia went into negative growth.

Hon George Cash: There was a substantial reduction in our growth and that is why we have 100 000 people unemployed.

Hon MARK NEVILL: Exactly. That is the point I am making. Members opposite have underestimated the growth that we are coming out of. When the Government made that decision six months ago, it was based on power increases of approximately three per cent. SECWA's figures on those increases are now 6.5 per cent a year. When they made that decision, both the Government and SECWA clearly underestimated power growth in this State. It was because of the Court Government's lack of faith in the Western Australian economy that it did not go ahead with the 600 MW power station at Collie. Members opposite were too scared about making a blunder.

Hon W.N. Stretch: Well, no-one believes you. They wouldn't trust you.

Hon MARK NEVILL: Twelve months ago, the projections for energy growth were two to three per cent. The actual usage over that period has been 6.5 per cent. The increase in industry has been higher than that again.

Hon W.N. Stretch: There is a good Government running Western Australia.

Hon MARK NEVILL: Last month, the Premier upgraded the estimates of gross State product for this year from four per cent to 4.5 per cent. That will ensure that power demand is well over 6.5 per cent this year.

There is no doubt that the State economy is growing stronger than any other State economy. It has been doing that for a number of years. The power from a 600 MW power station at Collie would be easily subsumed into the State network; there would be no surplus generating capacity.

Hon B.K. Donaldson: Can you explain the gas pipeline that generates energy in Kalgoorlie which will save us about 70 MW to 80 MW going up that grid system now and about the amount it will be able to feed back into that grid system?

Hon MARK NEVILL: The gas pipeline to Kalgoorlie will compete with SECWA. I have been told that SECWA is confident that it can compete with the gas prices. However, we will see about that. Even 80 MW of power will not be significant for the purpose of this debate.

Hon B.K. Donaldson: There are 70 MW at the BP refinery.

Hon MARK NEVILL: It is important that Collie be competitive, and it can only be competitive if it has a 600 MW power station which can take advantage of economies of scale. With the 300 MW power station, we will have a higher power price, and the power price for Collie coal will be the benchmark against which gas prices will be set in this State. The more the Collie prices are kept down, the more the gas prices will come down. There is no argument about that.

Hon Barry House: Why won't it work the other way?

Hon MARK NEVILL: It is crucial to power pricing in this State that Collie prices come down.

Hon W.N. Stretch: That is one aspect.

Hon MARK NEVILL: Collie is the base load power. Gas can be added and subtracted; however, if we can get the base load power in there at a low cost, it will determine the price.

The other factor - this is a personal view - is that gas is a premium fuel. In 10 to 15 years, we will be receiving top dollar for that gas. However, we will never be able to export Collie coal; it is not suitable for export. We should be taking advantage of building a 600 MW power station that can take advantage of the economies of scale and that can develop the Premier and Ewington coal mine, get investment and obtain a lower benchmark price on our best base load power station. I am convinced that the Government has made the wrong decision. Although we can get fairly cheap gas with long term contracts, it is inevitable that we will be paying a premium for gas in years to come and we will regret that we did not make the correct decision at Collie. Gas producers have admitted that they were stung by the previous Labor Government's decision to build that 600 MW coal fired power station at Collie. They were stung into becoming more competitive. They realised that there was competition and that they could not just milk the State. They were really surprised.

The decision to opt for the 300 MW coal fired power station has directly resulted in the loss of 240 jobs. Those underground jobs would have gone, but not so soon. I believe they would have been phased out by 1996. At least the mine workers and their families could have had a chance to be phased into a new greenfields mine that would have been opening up.

Hon Barry House: Most of those have been taken up already, I understand.

Hon MARK NEVILL: I hope that is correct. The trauma that those people went through was unnecessary. I know that 240 people would not have been taken up in existing mines.

The Minister for Energy admitted in Parliament yesterday that there would be a shortfall of power production from 1996 to 1998 and that that would probably be filled by additional gas capacity. The shortfall he predicted was something like 200 MW. That in itself is a good argument for building the 600 MW power station at Collie. It clearly shows SECWA's power projections were inaccurate and extremely conservative when the Government made this decision last year. If the Government had made an earlier start on the 600 MW power station, the extra gas capacity would not be needed. Reports in papers recently have reinforced the view that a shortage exists. These reports refer to additional plans to increase gas fired capacity at Pinjar. The *Australian Financial Review* of 22 March at page 8 has an article "WA Government in rush to avoid electricity shortages" -

The possibility of an electricity supply shortfall - sparked by sharp upward revisions in SECWA's electricity demand forecasts - has led to a number of private enterprise proposals for generating capacity in WA.

News of BHP Petroleum's consideration of a 300 MW gas turbine plant feeding into SECWA's southwest electricity grid led the Opposition yesterday to claim there was a gap in WA's need for future generating capacity.

BHP would know exactly what its 300 MW power station will cost because of the work undertaken in the Pilbara on that power station. The *Sunday Times* of 13 March had an article titled "SECWA looks at big boost". These articles about shortages and the need to bring in more gas capacity appear to be correct. I quote from the *Sunday Times* article -

The State Energy Commission is considering a plan to boost its generating capacity by more than 450 MW, using gas powered turbines coupled to steam turbines.



This is 150 MW or 50 per cent more than the output of the planned controversial 300 MW coal-fired Collie power station. If given the go ahead, SECWA would upgrade the Pinjar gas turbine station 40km north of Perth.

The article continues -

The first phase of the plan is to add two frame-nine turbines, which would lift the station's capacity by 232 MW.

The article continues -

These additions would lift Pinjar's capacity by a huge 464 MW, or 50 per cent more electricity than expected from Collie's coal-fired station that is still bogged down in party political bickering.

It is clear that the demand is there and that the Government should reconsider signing this contract with ABB for a 300 MW power station, which will be owned by SECWA, which will not have the economies of scale, and which will increase State debt. The Government should renegotiate a 600 MW power station for Collie, which will provide jobs in Collie, provide stability for the south west, and provide lower coal prices which will result in lower energy prices. The price which is struck for Collie power will be the benchmark against which gas prices are set. The Government has made the wrong decision. There is time to rethink its strategy and not sign this contract. The Government should get out of these moral and legal obligations, as Harold Clough has said, discharge those obligations, no matter what the cost, and put the project out to tender. That way the best price will be obtained; otherwise the negotiations will drift on and the Government will not know where it is. A great opportunity is being missed to get those economies of scale.

Hon Murray Montgomery: If the Government decided to negotiate out, what would the Opposition do - take it to task over it?

Hon MARK NEVILL: No, the Opposition would not take the Government to task over it. The Government should use all attempts to be in a position where a 600 MW coal fired power station can be built at Collie. That is in the State's interest and that is what will give us lower power prices, and that is what is important.

HON J.A. SCOTT (South Metropolitan) [3.15 pm]: I oppose this motion. To be proposing a 600 MW station at Collie is crazy. It is a shame that we have even proceeded with the one we have. The opening of the contracts is an indictment on the present Government. I am not just thinking about the people in Collie; I am thinking about the people of Western Australia and also the people of the world. In this State there has been about a 30 per cent increase in greenhouse gases in a period when we are supposed to be looking at reducing those gases by 20 per cent by the turn of the century. Building a 600 MW gas fired power station will cause immense problems in meeting those demands. Australia is in the process of signing agreements to come into line with world communities. The experts are completely against building the proposed 600 or 300 MW power stations. The experts have suggested that the power generation be increased at 100 MW at a time, using gas turbines. In addition a whole range of other power options are being considered and proposed by many different private enterprise groups, including Compact Steel, which wants to get a project underway, and I believe that project would be a far more efficient use of our resources. The problem is that nobody is interested in the efficient use of our resources. If the resources were being used efficiently, the Kwinana A and B stations would be turned over to gas entirely.

Hon Doug Wenn interjected.

Hon J.A. SCOTT: They actually still work on gas and produce an extra 200 MW capacity over what is produced running on gas.

Hon Barry House interjected.

Hon J.A. SCOTT: The member mentions flexibility. Flexibility should be provided by using some of the alternative suggestions which have been put forward; for example, Compact Steel's proposal, which will provide not only extra power options but also

another industry. It will use coal but it will be used more efficiently than the proposal put up by Asea Brown Boveri. ABB's proposal was inefficient and not in the same league as the proposal by Compact Steel.

Hon W.N. Stretch interjected.

Hon J.A. SCOTT: It does not matter who will build it for them. We do not have an undersupply but an underutilisation of our resources. Governments around the world, including this one, all talk about being more efficient, but what actually happens in Western Australia concerning efficiency? What makes Japan more efficient than Australia in its use of energy is that it produces more per unit of electricity. Its electricity prices are far higher than ours. The problem in this State is the wastage which comes from a history, not of neglect, but of mismanagement by consecutive Governments of both Liberal persuasion in the beginning and then Labor.

Hon Sam Piantadosi interjected.

Hon J.A. SCOTT: I am sorry, Mr Piantadosi, but unfortunately it is a fact. It is well documented. Both the Carnegie report and Harman report point to the mismanagement that has occurred in the past.

Hon Barry House: What should we use Collie coal for?

Hon J.A. SCOTT: The least possible at this time. However, if it is used, it should be used in the most efficient way possible. The point is, we are using twice as much energy per dollar produced than we should use, and it is the wasteful use of energy that is the problem in this State. We would be far more efficient if we looked at management in a serious way, not in the pathetic way that it is looked at at this moment.

Hon P.R. Lightfoot: We are one of the lowest per capita users of electricity in the OECD countries.

Hon J.A. SCOTT: That probably has something to do with the fact that we live in a very warm climate compared with most other people. Efficiency in Japan in the use of electricity is far in excess of our efficiency.

Hon Mark Nevill: Would you oppose having this place air-conditioned?

Hon J.A. SCOTT: I think we could have a better building design and then perhaps we would not need it. That is where the old Governments got it wrong. They kept looking for the big fix - the big 600 MW and 1200 MW stations. Real employment will not be brought about in energy production but in energy saving. That has been proved in the United States. The major electricity companies over there are now making more money out of energy saving than they are out of energy production. Not only that, but also the States that are doing the most are the ones that are doing the best. California, for instance, is the most efficient user of electricity.

Hon Doug Wenn: But they are privately owned.

Hon P.R. Lightfoot: Are you endorsing nuclear power? California has nuclear power.

Hon J.A. SCOTT: It does not matter whether it is private or public. If used efficiently, it is more profitable and less polluting.

Hon Mark Nevill: Are you endorsing those visually polluting, environmentally desecrating windmills that you see all over the place?

Hon J.A. SCOTT: I am talking about the wasting of energy, not over production. If that is too hard to understand, it is no wonder that this State is in the condition it is in at this time with its high electricity costs. Instead of looking for the big fixes, we have to start looking more seriously at the design of buildings, building codes, more efficient uses of energy in our businesses, and lighting designs in our big buildings in this city which at present are extremely wasteful. We cannot go on just producing more power. That will not make this State more competitive. We have to use energy in a more efficient way.

Hon Doug Wenn: Are you going to join Greenpeace in its court action against the building of coal fired power stations?

Hon J.A. SCOTT: I did not know they existed. I had not thought about it.

The core of the argument about why we waste energy in this State is that inappropriate contracts were made in the past. They were made without people making sure that the energy could be used. Originally, a Liberal Government drew up contracts to take 90 per cent of the North West Shelf gas whether or not it was used. It was then found that it would bankrupt the State and so the Labor Government had to run around the world selling our gas at a ridiculous price. That is where we went wrong. It is not whether we have a 600 MW power station or a 300 MW power station. It is the poor contracts and a very bad use of our energy resources. We are heading towards the continuation of the inefficient use of energy resources at a furious rate and a continuation of the production of greenhouse gases at such a rate as will put us beyond the normal OECD average. We are failing the people of this State and of the world by implementing these sorts of policies. I do not support this motion and I do not support the proposed 300 MW power station. Tenders for its construction should go to the cheapest supplier of electricity and not be called just to prop up an industry.

HON DOUG WENN (South West) [3.27 pm]: I was not going to speak on this issue. However, I decided to because I would like to make a few points very clear. I support the motion. I wonder about the flash announcement made by the Minister yesterday on contracts which have not been signed; but it was a guarantee to go ahead with the power station. I accept the guarantee, although it will not be of any great value or benefit to the people of Collie because the contracts that exist will be absorbed; they will not add to the contracts for the 300 MW power station. However, the people of Collie now have a guarantee on which they can base a small part of their futures.

Hon P.R. Lightfoot: Are you serious that it will not be of use to Collie?

Hon DOUG WENN: We have just seen the closure of the underground coal mines in Collie, which put 230 people out of work. We have also seen 70 people put out of work at the Muja powerhouse. This 300 MW power station is a half-hearted attempt to satisfy the people of Collie, and that is all it is. It would be much better if the Government slowed down a fraction now that it has given an undertaking to build the coal fired powerhouse - that is all the people wanted - and decided to build a 600 MW power station. A major article about the gas situation appeared in the "Sunday Slimes" last week. I have no doubt that gas is the way Colin Barnett wants to go. That will probably make Hon Jim Scott a little happier. Hon Colin Barnett is pushing gas very strongly. However, some members of the National Party, although not all of them and particularly not the members in this place, have worked very hard to get this commitment out of Colin Barnett and I compliment them. I think he gave it with huge reluctance because he had his mind set on gas which is understandable considering what Hon Jim Scott said about the surplus gas we have in the north west.

Hon P.R. Lightfoot: It was based on economics. It was not based on anything else. It is the best option, there is no question about that.

Hon DOUG WENN: I am absolutely amazed that Hon Ross Lightfoot has not said, "Let us do away with coal and gas and go nuclear" because that is the area he comes from. He wants to use it in places where it will destroy the lives of the people of Australia. Thankfully, that member does not have a say. This decision came about through the efforts of Hendy Cowan and the member for Collie, although I do not think she got the support she deserved. I will do all that I can to get the member for Collie out of that seat and put back into it the proper Labor person who deserves to be there. They waited until they were both out of the country before the people of Collie were told that 230 of them would lose their jobs and would be given a bit of landscaping to do or would dig up some roads. I understand that most of those people could leave town.

[Resolved, that the motion be continued.]

Hon DOUG WENN: Members wish to continue with the motion because they believe that this is an important issue. I know that other members, particularly those who represent the south west, would also like to talk about this motion. I hope sincerely that

the Minister has not rushed into this decision for a 300 MW power station. That will not create job opportunities in Collie. The people who will construct this power station will bring in the major contractors from outside the town. I know they have undertaken to use as many of the local contractors as they can, but that will not help the 230 people whose training and education have been based on coal and underground mining.

Hon Barry House: Many of them have already accepted redundancy and are happy to go.

Hon DOUG WENN: The member knows as well as I do that they had no option. They had to get out of it the best way they could. Many of those people will leave the town, and this new power station will not soften the blow that this Government has inflicted upon the people of Collie.

Hon W.N. Stretch: Your Government promised it four times and reneged on it every time.

Hon Murray Montgomery: You had four years and did nothing.

The PRESIDENT: Order! I suggest that those members who are screaming at each other across the Chamber cut it out. If the member addresses the Chair, he will not get any interjections.

Hon DOUG WENN: Thank you, Mr President. I look forward to the protection of the Chair to stop all of these stupid interjections. I agree with this motion. We should have a 600 MW power station. I hope the Minister is not rushing into this decision just to keep a promise for Hendy Cowan and Hilda Turnbull in Collie.

HON GEORGE CASH (North Metropolitan - Leader of the House) [3.33 pm]: This motion is all about sour grapes. It is all about the fact that Labor in Government failed to deliver. Over four years, as Hon Bill Stretch said, Mr Parker and Premiers Dowding and Lawrence promised a power station for Collie, but during Labor's 10 years in office, it did not deliver. When we came into office in February 1993 and picked up the mess that we were left with, we got on with the job. We were able yesterday to announce, some 12 months after being elected to office, that there would be at least a 300 MW power station in Collie.

Hon Kim Chance: Half a power station!

Hon GEORGE CASH: That is one power station and 300 MW more than Labor was able to deliver in all of the years that it played games with the people of Collie. The coalition delivered on the deal. Labor failed. That is why we have the sour grapes that we see here today.

Hon Mark Nevill raised a number of interesting issues about the procedures that were adopted.

Hon Mark Nevill: Are we moving off the rhetoric and onto the argument?

Hon GEORGE CASH: I am glad the member used the word "rhetoric" because, as an old time Labor person, he would have heard a fair bit of rhetoric from his leaders about the Collie power station. Rhetoric is all that the people of Collie ever got out of the Labor Party. At least out of the coalition they will get a power station. I am surprised that Hon Doug Wenn, as one of the representatives of the Collie area, would stand in this House today and criticise the decision to give Collie a power station. That is an amazing situation. I wonder what Hon Doug Wenn's response would have been had the Labor Government announced a 300 MW power station a few days before the last election. Would he have said it was not good enough and they should give the people of Collie nothing? At least the people of Collie will now have some hope of future employment with this power station, which is more than they would get from Hon Jim Green, who seems to think there should not be any more power generation in Western Australia.

Hon Tom Helm: Do you mean Hon Jim Scott?

Hon B.K. Donaldson: A Freudian slip!

Hon GEORGE CASH: Indeed; our "Green" member. I agree with Hon Jim Scott's

comment about the need to gain greater efficiencies in the use of electricity. There is no question about that. However, if Hon Jim Scott believes that we can live on efficiencies alone, then regrettably he is misinformed about, firstly, the growth required in respect of electricity or energy in Western Australia, and, secondly, the tremendous industrial opportunities that will present themselves to Western Australia if we are able to produce sufficient energy and deliver it at a reasonable cost so that industry can get on with the job.

We need to look at some of the facts. The problem that we were faced with when we came into Government was to assess the Collie power station project on a strictly commercial basis. We did that, and we came to the conclusion, after a short time, that a 300 MW power station was more economically viable at this stage than a 600 MW power station. Had Hon Mark Nevill referred to some of the charts that I believe he would have been furnished with, he would have seen that even with the 300 MW power station coming on stream, we will still at one period in time have an estimated overcapacity of 29 per cent. Had we gone to a 600 MW power station, we would have been faced with an overcapacity of up to 40 per cent. That takes into account the growth that the Government anticipates over the next few years. The Government is convinced on the evidence placed before it that, firstly, a 300 MW unit in Collie funded by SECWA will reliably be able to meet the demands to the end of this decade and for some years beyond. Agreeing to the 300 MW power station today will allow the Government the flexibility of meeting the needs which will arise following significant growth in load.

In the case of the original 2 x 300 MW unit option - the build, own and operate option - I have said before that at a certain point on the graph the electricity would have peaked at 40 per cent excess in capacity. That excess would have been in the system. The 300 MW station will produce the largest cost saving. Cost savings will accumulate over the life of the project based on current terms.

Hon Mark Nevill on a number of occasions raised the proposition that Transfield Construction Pty Ltd could build a power station for \$520m. However, Transfield is not privy to the final specifications to be dealt with by Asea Brown Boveri.

Hon Mark Nevill: Put it out to tender then.

Hon GEORGE CASH: Some additional matters have been introduced into the equation. For example, greater environmental requirements must now be met, and I doubt that such aspects would have been taken into account by Transfield.

The PRESIDENT: Order! It is out of order for the Opposition Whip to be holding an audible conversation on the telephone.

Hon GEORGE CASH: On the figures provided to the Government, the 2 x 300 MW option meant that the tariff costs would have peaked at 8¢ a kilowatt hour by 2001. However, the 300 MW power station will result in a more uniform tariff being applied which will peak at 6.5¢ a kilowatt hour by 2001. Overall, we would expect a significant reduction in the cost of energy by implementing the single 300 MW power station rather than the two unit option as discussed before.

Hon Jim Scott concentrated on the environmental issues. At least with the single 300 MW power station approximately half of the environmental problems will arise compared with the double station option clearly being pushed by the Opposition.

Hon Doug Wenn: You will believe that yourself one day.

Hon GEORGE CASH: I do. The member should look closely at the final specifications as he will see that the environment has certainly been taken into account. Hon Mark Nevill referred to the burning of specific coals. I understand that a requirement was added during negotiations which was an additional cost to ABB in building the facility. This involved the capacity of the power station to burn coal from both the Ewington and Premier deposits. I am told that there is a difference in the quality of the coal and their burning capacities. A number of millions of dollars have been added to the project to enable the power station to burn either of those coals.

Hon Mark Nevill: There is little prospect of the Ewington deposit being developed unless there is more than the single 300 MW power station.

Hon GEORGE CASH: There would be no prospect of the Ewington deposit being developed if ABB was not required to build into its project the capacity to burn Ewington coal. The member refers to the need for a competitive arrangement regarding the pricing of coal in Collie, and the mere fact that the facility will be able to burn both Ewington and Premier coal is important in that regard.

*Sitting suspended from 3.45 to 4.00 pm*

Hon GEORGE CASH: The Government has been pleased to announce a 300 MW coal fired power station to be constructed in Collie by Asea Brown Boveri Pty Ltd and Itochu Corporation. It is expected that the timetable will mean that the power station will be commissioned in December 1998 and detailed engineering designs will commence in November of this year with on-site works starting during the final quarter of 1995. The Government has brought forward the project by one year in response to improved economic conditions, and to the closure of the underground coalmining operations at Collie. As a result of the coalition Government's decision we now have some certainty in respect of power generation in Western Australia compared with four years of uncertainty under the previous Government.

The contract value of the project is \$575m; however, because of fluctuations in international currency that figure is the equivalent of \$560m in March 1994 dollars. It is important to note that up to 70 per cent of project will be financed by SECWA's cash flow, thereby avoiding substantial increases to its debt. Continuing the positive side, it is important to note that at its peak construction time the work force will be about 550 people on site, and it is expected that 3 000 direct and indirect jobs will be generated as a result of the project. Approximately 61 per cent or \$352m worth of the project is to be by way of Australian content. More than that, the State has been able to negotiate a \$60m countertrade agreement as part of the total arrangement in respect of the project. That clearly will boost the level of local content attached to the project to in excess of 70 per cent. It is expected that with the 300 MW power station energy tariffs will be 5¢ a kWh. More than that, there are other opportunities for cogeneration. The installation of additional gas powered turbines at SECWA's Pinjar site will be able to bring an additional 110 kW source of energy on stream to meet demand as we move up to 1998 when this 300 MW power station is due to come on stream. The Government's decision has been a positive decision. It is regrettable that the Opposition does not want to join with the Government in embracing the decision, given that had the same decision been made a few days before the last general election I am sure all members of the now Opposition would have been not only gloating but certainly gleefully telling the world of the achievements of their Government. That, of course, did not happen; it was up to a coalition Government to make the decision and get the State moving.

HON MURRAY MONTGOMERY (South West) [4.06 pm]: The Opposition should look at its performance over the four years prior to the coalition parties' coming into Government. It had all the time in the world to say, "Collie, we are signing the contract to build a 600 MW power station."

Hon N.D. Griffiths: We did say that.

Hon George Cash: You said it a few times, but you never did it.

Hon Doug Wenn: You have not done it either, by the way.

Hon MURRAY MONTGOMERY: The Opposition is very quiet on the fact that it could not build the power station. That was its intention, but the whole time that was going on National Party members along with their Liberal colleagues were pointing to the necessity to have the facility built. Sure, other parties wanted other plans put into place, but Collie needed a power station to be built and it was being pushed by my colleague in the other place, Dr Turnbull. I want to make sure that somebody on other side understands. The whole of the National Party supported Dr Turnbull in pushing to make sure Collie was given a power station.

Hon Kim Chance: Not just a power station, but a 600 MW power station.

Hon Mark Nevill: You short changed them.

Hon MURRAY MONTGOMERY: Dr Turnbull was designated as our spokesperson on Collie and the power station. She had the total support of all her colleagues.

Hon Doug Wenn: Except those in the other side of the coalition.

Hon N.D. Griffiths: Your Liberal colleagues were very embarrassed.

Hon MURRAY MONTGOMERY: I do not believe that. My colleagues, certainly those from the south west with whom I am very close, all supported the building in Collie of a coal fired power station. There is always a difference of opinion, as I am sure there is in the Labor Party, about how things should be done. It has all been said; a 300 MW module will be built to come on stream in 1999 to make sure that we do not spend that initial huge amount of money. It has been stated that the infrastructure to build another 300 MW module will be put into place and, as a result, eventually a 600 MW power station will be in place. As Hon Kim Chance will agree, when buying machinery and building modules it is cost efficient to install only that which is needed initially and add to it later.

Hon Kim Chance: As long as it does not affect your input price. In this case it does.

Hon MURRAY MONTGOMERY: I disagree. As the Leader of the Government has said, we will use part of the gas inventory which must still be paid for. It will come on stream about 1996-97. We will be using both forms of energy for power generation and getting the best of both worlds.

Hon Jim Scott indicated that he wanted us to have gas or some other form of electricity generation. Initially, we will have gas and then the coal fired power station will be built which will allow it to be put on stream in two modules. It is a matter of making the best use of the State's resources and finances to give us the energy required as industry demands it. It would be inefficient to establish a 600 MW power station and find out later that we have an excess of energy. As the Leader of the Government said, that size power station would provide a 40 per cent reserve of electricity. It would be a waste of funds and resources. In the 12 months since the Government took office last year, when the plans were drawn up and negotiations with Asea Brown Boveri Ltd took place, we have undertaken a very good deal for the State and for Collie.

I refer to the point made earlier about the underground mining decision made by a private company. If private companies decide to lay off people, so be it. The Government has come to the party in Collie and said it will put in the initial stages of the contract so that people know that Collie will get the power station. The fact that a private company decided it would close its operation because it became economically unviable was up to that company. It had as much right to do that as anyone in private enterprise has the right to decide whether he will close his business, buy another one or whatever.

Hon Mark Nevill: Should it have been given the status of a three minute press release as it was in the other House so that it could not be debated?

Hon Eric Charlton: You are in enough trouble in the way you could not handle the issue; you should hang your head in shame.

The DEPUTY PRESIDENT (Hon Derrick Tomlinson): Order! Hon Murray Montgomery has the floor.

Hon MURRAY MONTGOMERY: I believe we have spent more time on it than necessary. When in Government, the Opposition failed to deliver the goods; yet it has taken this Government only 12 months. The Opposition's motion is a waste of this Chamber's time and it makes a nonsense of proceedings.

HON W.N. STRETCH (South West) [4.15 pm]: At the personal invitation of Hon Nick Griffiths I rise to express my astonishment that the Labor Party should raise this issue. I am nearly as stunned as their members of the Legislative Assembly were yesterday when Minister Colin Barnett announced that he had finalised the contract and that Collie was to get a 300 MW power station.

Hon George Cash: I expected cheers all around.

Hon W.N. STRETCH: Yes. One of my colleagues said there was total confusion on the Opposition benches. Members there did not believe that the coalition Government could succeed where Labor had failed for four years.

Hon T.G. Butler: We do not believe you can succeed in anything; you have yet to prove it to us.

Hon Mark Nevill: How could you be stunned when the announcement was foreshadowed last week.

Hon W.N. STRETCH: I am stunned that the Labor Party had the temerity to criticise the Government's action.

Hon Mark Nevill: We are.

Hon N.F. Moore interjected.

Hon W.N. STRETCH: That is true; it is the negativity of this Opposition - the very thing for which it criticised us for years - which will bring about its downfall. I am sure that if Hon Mark Nevill were to go back to Collie and say the project should be deferred until a 600 MW power station is delivered, the people there would find him as credible as they found his former Premiers and former Ministers who went to Collie and told the people in varying degrees how they would build and deliver the 600 MW power station.

Hon Kim Chance: We would have, if it were not for your settling for a toy.

Hon W.N. STRETCH: That is an absurd statement.

Hon Kim Chance: You have promised to build half a power station.

The DEPUTY PRESIDENT: Order!

Hon W.N. STRETCH: If that is how Hon Kim Chance regards financing a \$500m-plus deal, he has been playing in a bigger field than I and most members have and he should go back there. He must have been making much more money before he came in here.

Hon Kim Chance: You promised the 600 MW station.

Hon W.N. STRETCH: I beg to differ.

Hon Mark Nevill interjected.

Hon W.N. STRETCH: When all the crows on the fence have finished picking away let us hear some facts. The coalition Government said it would build -

Hon Mark Nevill interjected.

Hon W.N. STRETCH: Hon Mark Nevill should listen carefully. From memory - before the 1989 election - the full promise was that we would build a 600 MW power station fired by Collie coal when it was economical to do so and would pay a dividend to the people of Western Australia. The strong condition was that it had to be a real, viable deal and stand up financially. It was very carefully worded because -

Hon Kim Chance: It was carefully worded because you intended to build no more than the 300 MW power station from the start.

Hon W.N. STRETCH: No. I think I will have to move the table to sort out members opposite on their facts.

Hon Kim Chance interjected.

The DEPUTY PRESIDENT (Hon Derrick Tomlinson): Order! Hon Kim Chance will have his chance.

Hon W.N. STRETCH: I think he may have burnt most of his chances.

The point is that the Liberal Party put a reservation on that because it knew it would be difficult to set up a \$2b deal. That is what the former Government was committing the State to, and that is what this Government was asked to match. This Government would not under any circumstances give a blanket promise that it would build a \$2b project with



no guarantees of benefit to the people of this State. We took a responsible view over this matter, as we have done towards the people of Collie.

Another reason I am astonished that the Opposition has raised this issue in the House today is that it let down badly the people of Collie over four years; that was done for crass political purposes. It is no wonder Hon Nick Griffiths shakes his head. He is probably indicating that he never went to Collie in those four years. Did Hon Nick Griffiths visit the Coolangatta site? Well might he shake his head. I take that to mean that he did not.

Hon N.D. Griffiths: I am enjoying the fact that you have accepted my invitation to speak.

Hon W.N. STRETCH: I appreciate that invitation. One of the few advantages of getting old is that one has seen a lot of these things before. I want one thing on the record: Collie will not die as a result of the failure to get a 600 MW power station or because the underground coal workings had to close down. I am as sorry about that as anyone because they are unique in Western Australia. The record of coal mining in the deep mine in Collie is unsurpassed anywhere in the world. It is one of the wettest coalmines in the world and because of that is one of the riskiest coalmines in the world; yet it has one of the best safety records in the world.

That is attributed firstly, to the care of the work force, and the responsibility shown by employees towards each other; and secondly, to a system of safety which is the responsibility of the mine manager and the deputies underground. The man at the coalface is literally responsible for the safety of those men. That is why the coal mines fought strongly to have their own safety arrangements retained in the coal mining industry, rather than enter into Labor's centralised occupational health arrangement where someone from Perth or the town office told them how they should administer safety. When one is underground and the water is dripping, the ground is moving and the strongest thing around in those workings is the coal itself, one is very aware of safety. I was underground one day when a bloke was working with a cleanup shovel. He backed into a pit prop which came down. Politicians are reputed to be a bit slow on their feet; however, I can assure you, Mr Deputy President, that I have never seen a mob of people move quicker to flatten themselves against the walls of the workings. I pay tribute to the underground workers at Collie for achieving such a fine safety record for so long in such difficult conditions.

That is one of the reasons Collie will not die as a result of this or any other decision. The people of Collie are pleased to be getting a 300 MW power station as opposed to nothing, because that is what it was coming down to. I am in an agreeable mood, so I shall start by agreeing with the mover of the motion, Hon Mark Nevill, who is usually very sound on his facts, that the gas is important. I have said in this House on many occasions, as I have in other venues, that gas will probably be the lifeline of the agricultural and transport industries in the future. Coal cannot compete in that regard; therefore, I have always been a champion of the use of the Collie coal resource. It is a most valuable resource and it should be utilised as soon and as economically as possible. Modern economics dictated that it was no longer possible to bring underground coal to the surface at a viable and competitive price. Many people are trying to weave that into the fabric of this debate; however, it really has nothing to do with it.

Hon Mark Nevill: We have seen clearly that underground mining will be phased out by 1996.

Hon W.N. STRETCH: I was not referring to Hon Mark Nevill, because he usually get his facts right. One of his colleagues was a little wavy with the detail of the matter and was moving towards attacking the Government over that issue. That was a commercial decision which I think everyone accepted.

Hon Mark Nevill: It just wouldn't have been as abrupt.

Hon W.N. STRETCH: I very much doubt that. I beg to differ with Hon Mark Nevill because the different technology was one factor that would not have encouraged many of

those people to move across to the other form of mining. The other factor was that many people said privately that they were ready for a redundancy package and were ready to get out.

Hon Mark Nevill: It is a lot easier to adapt from underground mining to open pit mining than vice versa.

Hon W.N. STRETCH: Again, in my agreeable mood I totally agree with the honourable member. I also agree with Hon Jim Scott. Energy utilisation and saving is vital, but it will not compensate for the growth in the industry. Members opposite thought the Government was joking when it spoke about more jobs, better management. However, it is happening, and Hon Mark Nevill has quoted the figures. It is a fact of life regardless of who takes credit for it. Western Australia is on the verge of very exciting times and this project is just one of them. I also agree with Hon Jim Scott that alternative energy sources have a part to play in this equation. I am proud to say that the Liberal Party instigated the alternative energy resource research which was set up a long time ago when I was involved in the lay party. Approximately 25 years ago I also publicly called for solar hot water systems and home insulation to be free from sales tax because it was an important concession towards encouraging the saving of energy and the better use of what people had to buy anyway.

Let us get it quite clear in all our minds that the Government regards Collie coal as an important resource. There are many reasons for going for gas, but I honestly believe Collie coal has a great future and will have a part to play in the future energy needs of Western Australia. I stand by that. I find it difficult to put time limits on that, but a time pattern can be built around demand. One of the demands that did not exist was for power from a 600 MW power station. It may surprise some of the Labor Party members to learn that the 600 MW station was going to be two units of 300 MW. Surprisingly enough, three and three makes six! The Government has opted for the 300 MW unit; however, being forward thinking and having great confidence in the growth of the State, it is building in the provision for expansion in the future. One of those factors, which I am sure Hon Jim Scott will be pleased to hear, is that as I understand it the specifications - being a backbencher I have not seen them -

Hon Kim Chance: Nor has Mitsubishi Transfield.

Hon W.N. STRETCH: Transfield is a bit like the mob opposite; it blew its credibility some time back.

Hon Tom Stephens: What an extraordinary thing to say; your Government employs them in projects all over the place.

Hon W.N. STRETCH: For my pedantic friend I will limit that statement and say that Transfield blew its credibility on the project for the Collie power station, for the simple reason that no-one would finance the project. The former Government - probably for this reason it is now the Opposition - made wild promises and allegations of how it could and would build that station and how it would finance it.

Hon Mark Nevill: We did not finance it; Westpac was the main financier.

Hon W.N. STRETCH: Again, the previous Government's ability to pick winners was uncanny.

Hon Mark Nevill: There were two financiers to choose from.

Hon W.N. STRETCH: The Government's choice was uncanny because its financier could not raise the money. The story of what happened to Westpac is sad, but it has now recovered. It was the property portfolio valuations which got it into trouble, but that is another story. The Labor Government's precious Premier at the time and the people advising him had a lot more to do with the variations and collapses in that market than members of the Labor Party would like to be associated with.

The Brian Burke solution was to build Mt Muja because there were problems in the deep mines and the Labor Government could not sell enough coal. Hon Nick Griffiths, at whose invitation I gladly speak, may not have seen Mt Muja.

Hon Doug Wenn interjected.

Hon W.N. STRETCH: As long as it is Hon Nick Griffiths and not me.

Hon N.D. Griffiths: I took the opportunity of Hon Doug Wenn's absence from the Chamber on parliamentary business to speak.

Hon W.N. STRETCH: A lesson for members opposite is that they should not trust their mates. I can trust mine because when the Minister says that the Government will build a power station in Collie it will do so and work will commence on it by next year. Some members may not know that Mt Muja was a commitment by Burke and company to develop another deep mine drive that would keep the underground work force employed. The thinking people in Collie and Western Australia were aware that it was a stop gap measure aimed at shoring up the future of the then member for Collie, my good friend Tom Jones. The Labor Government made the decision to mine the coal until there was an enormous stockpile of it. Collie coal can ignite on exposure to the air if it is not heavily compressed almost to its original density. It is a major problem and for that reason it is unlikely that Collie coal will be exported.

The enormous stockpile of coal which had to be rolled, day and night, by bulldozers cost the State \$42m. The drivers of the bulldozers had what I would regard as one of the most soul destroying jobs in the world. People who visited the new tourist attraction at Mt Muja could sometimes see the smoke rising from the coal. That was one of the Burke Government's solutions to the problem it encountered. A person whom I will not name ran into a little bit of financial trouble. In other words, he had a "touch of the shorts". A Labor Government Minister decided that Western Collieries, which had been taken over by the person who was having a touch of the shorts, could probably do without some of its money for a short time. Hon Mark Nevill knows about this because I think he was on one of the committees which investigated it. He is indicating that he was not, but he probably should have been because he may have been able to shed some light on it now.

Hon Mark Nevill: I hope you are not in breach of standing orders by commenting on matters referred to in Order of the Day No 2.

Hon W.N. STRETCH: I do not think I am, but as the Deputy President (Hon Derrick Tomlinson) is the custodian of the rules of this House I am sure he will bring me to order if I am in breach of them.

Hon Mark Nevill: I will remind him of the need to do so.

Hon W.N. STRETCH: The Burke Government borrowed about \$15m - only pocket money - for a short time. On top of the \$42m that was spent on pulling the coal out of the ground and building Mt Muja and the cost of running either D8s or D9s over the stockpile to stop it catching fire, for totally political reasons the then Government decided to borrow for its friends. Questions were asked at the time and it was the subject of a report which was submitted to this House. Many people are still very angry with the Labor Party because of what it did when it was in Government. After all, Western Collieries was one of the bastions of Collie life and, unknown to it, some of its assets apparently had been borrowed without its knowledge.

Hon Nick Griffiths is trained in legal matters and he would understand the proprieties of borrowing money from an account without actually telling the owner about it. I suggest that he read the *Hansard* pertaining to this issue and the report of a committee of this House which investigated it. The finding was left open but it was most astonishing. If someone had borrowed 15¢ from my account without my knowledge and used it to prop up someone else's account I would be slightly offended. If the amount were \$15m I would be mortally wounded many times over. The Labor Party does not have anything to crow about over the contract which is being negotiated and is about to be signed. The community of Collie has been used by Labor as a political football. It has suffered the tragedy of being a marginal seat. It is surprising that it even became a marginal seat, but that was brought about by the mechanisation of the coalfields, the diminishing need for labour and the changing substructure in the town which led to an increase in the number of people who did not think highly of the ALP and did not pay their union dues. The Labor Party gradually lost support in Collie.

Hon Doug Wenn: That loss of support was largely from the people in the surrounding areas and not from the people in the town.

Hon W.N. STRETCH: The Liberal Party made some headway with its support from people in the town. People from various political persuasions in that town are disgusted with what occurred when this Opposition was in Government. Hon Doug Wenn may be surprised to learn that a highly respected member of the Labor Party in Collie actually crossed the street to speak to me during the lead up to the last general election. This man thinks for himself and he stands by his convictions. He told me that after having worked his guts out for the Labor Party over the last 40 years he could no longer support it. He said that he could not forgive the Labor Government for what it did to the finances of this State and to the town of Collie. He also said that he was unable to say whether he thought the Liberal Party was any better but he definitely would not be voting for the Labor Party at that election. I did not corner him. I had met him socially and he actually came across the street to tell me how he felt. Members opposite need to know about that. They should not think that it is the Liberal Party which is spreading vicious propaganda campaigns. Its own people saw through the duplicity of the previous Government.

I will outline now what I consider is the Labor Government's major insult to Collie. On three occasions, the Labor Government gave community lunches in Collie, to which they invited local citizens, notable people and community leaders, and to which they were kind enough to invite all members of Parliament. The first time that we were promised a new coal fired power station in Collie, we all said, including the Liberals, "Hooray; terrific!" Two weeks later, I went to the *Collie Mail* in good faith, and, for the second time in my career, got front page cover when I exhorted the people of Collie to take advantage of the enormous opportunity which had been put at their feet. If I remember rightly, I said "Here is a major project. Get ready for it. There will be a lot of earth works, site works and infrastructure works that can be picked up by local businesses. Go for it, and the best of luck. It is the best news Collie has had for years." That was the start of a sad saga of broken promises which continued through Parker, Dowding and the various Ministers, who all went to Collie and gave community lunches; but the worst one of all was former Premier Lawrence. She was the last person to perpetrate this - I cannot use that word - total misleading of the people of Collie. Hon Carmen Lawrence - and I think Hon Doug Wenn was there; in fact, I think he introduced the Premier, and I hope he feels as disgusted now as I do -

Hon Doug Wenn: You must be joking. What are you talking about?

Hon Barry House: Mines Rovers Football Club!

Hon W.N. STRETCH: That is right; Mines Rovers Football Club.

Hon Doug Wenn: You have got it wrong. I was not there at all.

Hon W.N. STRETCH: I remember that she was late - very late - but that was a mere bagatelle compared with the untruth that followed, when she said, as I recall, "Ladies and gentlemen, distinguished guests, I am proud to announce today that we will build a 600 MW coal fired power station in Collie. There are a few final financial details to put in place and they should signed by the end of the week." Does Hon Doug Wenn recall that?

Hon Doug Wenn: Yes. She was dead right. That is exactly what your Government has done. You have just made a promise. You still have not signed a contract.

Hon W.N. STRETCH: I am not so sure about that. I will check that when I finish speaking. I believe it is in the bag. If it is not in the bag, I pledge here and now that I will kneel on the floor here at the next sitting of the House -

Hon Doug Wenn: And we will kneecap you!

Hon W.N. STRETCH: - and apologise to Hon Doug Wenn. I am happy to give that commitment. I believe that this time it will be signed.

Hon George Cash: There are only some minor legal technicalities which need to be ironed out. The decision has been made.

Hon W.N. STRETCH: I make that commitment. If I am wrong and if this contract falls over, which it will not, I will kneel here and ask Hon Doug Wenn's forgiveness. That is how confident I am that it will go ahead. I would not regard that as degrading in any way. I would be happy to do that for Hon Doug Wenn because I believe this is a Government of integrity and that it would not say that if it was not confident that this deal was in the bag.

Hon N.D. Griffiths: We respect your faith. We just regret that you are being misled.

Hon W.N. STRETCH: Will Hon Nick Griffiths kneel over there and apologise to me when it is proved that I am not being misled and that Mr Colin Barnett and others will sign that contract in the near future?

Hon N.D. Griffiths: No.

Hon W.N. STRETCH: I know what Hon Doug Wenn suffered for many years when his colleagues kept him in the dark and fed him what mushrooms are fed on. I do not know the intimate details of the contract but I know my Ministers and I trust them and I believe the contract will be signed.

Hon T.G. Butler: Are they the people who did not deceive the public about the closure of the Midland railway workshops?

Hon W.N. STRETCH: What was the deception there?

Hon T.G. Butler: They said they would upgrade it.

Hon W.N. STRETCH: Fortunately, we have the Minister for Transport in this House. We do not have the Minister for Energy. We do though have a worthy deputy.

Hon T.G. Butler: They said it would be upgraded.

Hon W.N. STRETCH: I was not consulted about that decision, but I could have told members opposite a few home truths about that.

Hon Mark Nevill: You cannot remember the commitment.

Hon W.N. STRETCH: I am happy to talk about commitment. I am happy to talk about integrity. I have just told members opposite about the deception of their former Premier, that great paragon of integrity and truth, who members opposite have just sent to Canberra. How could Carmen Lawrence, that effigy of integrity, say that publicly in Collie when she knew damn well that there was no hope in hell of getting anyone to finance that project because finance was not available and, worse still, world financiers would not do a deal with that Government, or, to be more specific, would not do a deal with the latest succession of Labor Premiers because they could not trust them and knew that they could not deliver? What that Government could deliver was record debt and record unemployment.

Hon Bob Thomas: Why has debt increased this year to \$245m?

Hon W.N. STRETCH: Hon Bob Thomas from Albany -

Hon T.G. Butler: From the south west.

Hon W.N. STRETCH: Albany is almost in the south west. It is the capital of the great southern.

Hon T.G. Butler: We would not want you to make a mistake.

Hon W.N. STRETCH: I thank Hon Tom Butler for his protection. He has protected a lot of things in his time but I did not expect him to protect me. With the greatest respect, Hon Bob Thomas is not regarded on this side as one of the great financiers of the world. I will tell members about debt. Debt, well managed and well financed, is a valuable commodity. Debt is a tool upon which development is built. Debt wasted and run up by profligate gamblers on behalf the taxpayers is totally despicable. That is what we had in the previous 10 years of Labor Government.

Hon N.D. Griffiths: That is what we had from 1974 to 1983.

Hon W.N. STRETCH: Not at all. Time being what it is, I will not drown the rest of these red herrings. Labor should be ashamed of what it did to Collie. We had a litany of deception and of misleading good, honest and hardworking people.

Hon Doug Wenn: Just as well Tommy Jones is not here!

Hon W.N. STRETCH: Hon Tom Jones - Tom never became an Honourable, but he was in many ways one of the small "h" honourables of the Labor Party - was an indefatigable fighter for Collie, and he never made any bones about it. If he could have had a 1200 MW power station for Collie, he would have been here fighting for it. I agree with Hon Murray Montgomery and pay tribute to the fight that Dr Hilda Turnbull carried out on behalf of the people of Collie.

Hon John Halden: What has she ever done?

Hon W.N. STRETCH: Tell me what Hon Carmen Lawrence has done.

Hon John Halden: I can tell you what the previous Labor Government did for Collie.

Hon W.N. STRETCH: Did Hon John Halden hear about Mt Muja? Did he hear about the \$15m which was borrowed?

The DEPUTY PRESIDENT (Hon Derrick Tomlinson): Order! I accept that Hon Bill Stretch is trying to make a valid contribution; however, I ask him not to engage in these side debates.

Hon W.N. STRETCH: As ever, Mr Deputy President, you are right. It ill behoves the Leader of the Opposition to come in here and beat his gums, having been absent from the Chamber and missing some of the outline I gave the House.

Hon T.G. Butler: Is it not a fact that the people in the town of Collie vote Labor very strongly?

Hon W.N. STRETCH: Yes, but not as strongly as they used to. The Labor Party lost a lot of support because it deceived those people over many years. I do not know whether Hon John Halden was in the Chamber when I told the House about the guy who crossed the road to tell me that he was sick of Labor. However, the Leader of the Opposition, who has nothing better to do, can read my comments in *Hansard*. Members of the Labor Party should hang their heads in shame. Why they would come into the Chamber with a snivelling, negative motion like this is beyond me. This motion is totally unworthy of Hon Mark Nevill, who has earned my respect for his stance on mining matters.

Hon Mark Nevill: I believe what I said today. I am not resiling from that at all.

Hon W.N. STRETCH: Hon Mark Nevill should probably wait until all the details of the contract are made public to see the difference between the old plans and the new plans, and the financial details. Above all, he will see that a contract was negotiated responsibly by an accountable Government with an eye to the future finances of Western Australia. It is a deal that will stack up, one which will balance demand with supply. We will not fall into the error of creating oversupply when there is no foreseeable demand. If the Labor Party had any decency it should amend this motion to a substantive one and resubmit it to the House. The new motion should congratulate the coalition Government for achieving a 300 MW power station for Collie and for having the foresight to incorporate into this planning -

Hon Doug Wenn: Toys.

Hon W.N. STRETCH: The member says "toys". This is a project worth over \$500m.

Hon P.R. Lightfoot: Aren't Opposition members a joke?

Hon W.N. STRETCH: I do not even dream about that sort of money; yet Hon Doug Wenn refers to this project as a toy. The point he makes is pathetic. This motion should be resubmitted as a substantive motion, congratulating the coalition Government for building a 300 MW power station and having the foresight to incorporate into that planning the ability to enlarge it by another 300 MW unit as the demand comes on stream.

Hon A.J.G. MacTiernan interjected.

Hon W.N. STRETCH: That is another inane comment from people who do know better. We seem to have some intelligence coming into the Opposition benches but, by God, Opposition members do their best to hide it.

Hon P.R. Lightfoot: Very successfully.

Hon W.N. STRETCH: The Opposition should amend the motion to give credit where credit is due. Opposition members should accept the fact that they bumbled along for four years trying to fool the people of Collie, the people of Western Australia and those overseas. They could not put this deal together. They could not find anybody to finance it. Nobody would trust them. Nobody would sign a deal with them. What do we have at the Coolangatta site now? We have a couple of trenches exploring the foundations; a small worksite hut; and the rest of the land leased out to graze cattle. That is how far the previous Government got in four years. It had lost credibility in Collie, Statewide and worldwide. Nobody wanted to deal with the previous Labor Government. Opposition members should be ashamed of themselves. They should give credit where credit is due. The power station will be up and running. We have succeeded where the previous Government failed dismally for four years. If those opposite are to be a worthwhile Opposition, they should lift their game.

**HON BARRY HOUSE** (South West) [4.55 pm]: The history of the Collie power station project is a very clear illustration of why the people of Western Australia changed the Government in February 1993. If we analyse some of the project's history - we have already heard some of it - we will see that at the end of the day the Labor Government could not deliver, despite numerous promises from Premier Burke and Deputy Premier Parker, who went to Collie and made an announcement prior to the 1989 election, and then Premiers Dowding and Lawrence. They could not deliver because their promises were empty promises, because their Government had no credibility and because they could not raise any finances or be trusted to complete the deal. The difference is that the Court Government, through the Minister for Energy, has delivered on our election promise. Our promise was very clear in the 1993 election: We would build the Collie power station provided it was environmentally and commercially viable.

Members have spoken about the way in which the announcement has been made. It is worth pursuing this because it indicates a difference in style between the Court Government and the previous Government. For some unknown reason the Minister for Energy has been criticised by members of the Opposition for making his announcement in Parliament. His announcement that the contract had been sewn up was announced to the people of Western Australia through the Parliament. We should contrast that with the way in which announcements were made by the Labor Government in its 10 years in office where the Parliament was the last place to find out what was happening in Western Australia and which deal had been sewn up with whom. The style of making announcements under Labor Administrations, led by Premiers Burke, Dowding and Lawrence, was to have an orchestrated Press conference.

Hon Tom Stephens: You had a ministerial statement and leapt into a two minute Press conference with no opportunity for the Opposition to debate the issue.

Hon BARRY HOUSE: The Parliament found out about it first. What is wrong with that?

Hon Tom Stephens: There was a two minute Press conference and no opportunity for the Opposition to debate it.

Hon BARRY HOUSE: It is being debated in the other place today and we are debating it today.

Hon N.F. Moore: Tell us about the PICL deal.

Hon John Halden: Tell us about the schools.

Hon BARRY HOUSE: That is a clear contrast of styles between the Labor Government in the past 10 years and the Court Government during the past 12 months. Transfield

Construction Pty Ltd has been mentioned, as has the matter of why the project has not been let out to tender. It bears repeating that Transfield had sole bidder status for about two years.

Hon John Halden: In fairness, it was not for the same contract.

Hon BARRY HOUSE: No; it was not for the same contract. However, it had sole bidder status. If the 600 MW power station had been viable, Transfield would have delivered on it.

Hon John Halden: That was owner built and operated.

Hon BARRY HOUSE: It did not, despite the fact that the time limits were extended three times by then Minister Gallop. It blew its chance and it has no grounds whatsoever for any sort of complaint. Let us also get into context very clearly what the scale of the project is. It is a \$560m 300 MW project in the south west.

Mr Thomas: It was \$575m.

Hon BARRY HOUSE: It is absolute chickenfeed compared with the amount that members opposite lost through the WA Inc dealings in 10 years.

Hon Kim Chance: How much was that?

Hon BARRY HOUSE: We do not know for sure, but it is pretty well documented.

Hon Kim Chance: I do not think it is. I have never been able to find it.

[Questions without notice taken.]

Hon BARRY HOUSE: Before question time I was discussing the scale of the operation which was announced yesterday by the Minister for Energy and which has been bandied around as a toy power station. I was comparing the cost of this project in 1994 dollar values with the scale of losses during the WA Inc years, and there was some disagreement with my statement. I mentioned at the time the fairly strong documentary evidence for at least part of that. For example, through the State Government Insurance Commission the Government contributed \$160m for Bell Group shares, and \$140m for Bell Group notes. From the consolidated revenue fund an amount of \$175m was lost during the WA Inc years on goodwill in the Petrochemical Industries Co Ltd deal, plus interest of \$100m. Added to that is the \$138m lost through Teachers Credit Society, and a further \$150m for PICL. That amounts to \$863m without going any further. I think we can honestly say that the losses of WA Inc at least double, and perhaps treble, the scale of investment we are talking about.

Hon Mark Nevill: Are you expecting to make a loss?

Hon BARRY HOUSE: No.

Hon Mark Nevill: What is the point of the comparison?

Hon BARRY HOUSE: I am bringing it into context. We are talking about a very large project which I am proud to stand and support, as a member representing the south west of this State. I am pleased about the significant economic benefits it will bring to the region, and all south west members should feel the same. It will be a huge boost for the south west economy. Bunbury is the major commercial and administrative centre of the region, and 30 per cent of the activity on the Collie coalfields is beneficial to Bunbury itself. It will have very significant spin-off benefits. The construction phase will perhaps have bigger spin-off benefits for the major areas around Bunbury, and exceed 30 per cent. We already know a very high percentage of the construction contracts will go to local suppliers and contractors. The term "toy power station" has been coined, but we are talking about a project which will occupy an area the size of Subiaco oval. It is not a toy but is a huge investment and will be a great boost to the south west economy.

I was also drawing some comparisons between the way the Court Government handled the negotiation and the way the Labor Government handled it in the previous 10 years. This project will be done with very few borrowings, and will use 70 per cent of SECWA's operating profit. In contrast, the Labor Government was prepared to



indemnify borrowings of up to \$2b for the project. That is another significant difference. It will provide a very important building block for the future economy in the south west.

Hon Mark Nevill: Did you say "indemnify borrowings of \$2b"? It is privately owned.

Hon BARRY HOUSE: I am putting it in context.

Hon Mark Nevill: How was it an indemnity?

Hon BARRY HOUSE: That is the track the Labor Government was following.

Hon Mark Nevill: Why use the figure \$2b?

Hon BARRY HOUSE: The figures I heard were \$1.6b, \$2b or up to \$2.2b. Another contrast in the different treatments of the project by the two Governments is that Hon Colin Barnett, as the Minister for Energy, has changed the philosophy on which the power station construction was negotiated. Previously a power station was being built to service a coalmine. The Minister for Energy has quite correctly identified that a coalmine's purpose is to service and supply a power station, and not the other way around. He has also brought into sharp contrast the fact that the need for this power station is determined by the demand for energy and lower energy prices, which seemed to be a secondary consideration prior to this Government taking over the negotiation. The whole philosophy has changed from the emphasis on building a power station to prop up an inefficient coalmine operation. This project will give enormous flexibility as well to our State power grid. Collie coal is a very useful resource, but it is more useful in generating terms for base load power. The gas turbines are operating already and more will come on line. The major use for these is to service peak load power demand because they can be brought into operation and fired up very quickly. I am very pleased to stand on this side of the Chamber in support of the Court Government which has delivered this project, rather than be in the position of members opposite who must try to justify their Government's inability to deliver the project over 10 years.

**HON BOB THOMAS** (South West) [5.38 pm]: I have just heard Hon Barry House explain why both sides of politics are held in contempt in Collie over this issue. The Labor side of politics promised Collie the power station over a number of years and when construction was not under way at the beginning of the last election, people felt angry and disillusioned with the Labor Government. Hon Barry House, and Hon Bill Stretch earlier, were dishonest in their use of figures when comparing the costs of the two projects. It was dishonest because it compared the prices for the two projects on different bases. When coalition members have spoken about the project endorsed by the Labor Government, they have talked about the total cost of the project, including the cost of borrowing the money and interest charges. However, when talking about the project agreed to this week they have referred only to the initial cost of the project, and have not included the cost of borrowing that money. In the case of the Labor Government the cost of the project was \$2b, which included the interest charges.

Hon W.N. Stretch: Of?

Hon BOB THOMAS: I do not know. It was capital cost plus interest factored over 25 years of borrowings.

Hon Mark Nevill: That was their first offer to you, not to us.

Hon P.R. Lightfoot: You have condemned yourself so far. When will you get to something positive?

Hon BOB THOMAS: Hon Barry House spoke about the wrong amount. He referred to an amount of \$560m.

Hon Barry House: I was talking about 1994 dollars.

Hon BOB THOMAS: The member did not take into account the currency fluctuations, which takes the amount to \$575m.

Hon Barry House: It is the other way around.

Hon P.R. Lightfoot: You have it wrong again.

Hon BOB THOMAS: So it is \$575m. The people of Collie will be angry when they see that the Government is trying to grandstand on the issue. They will be angry when they read the earlier debate today because some of the history has been rewritten, in the same way the Government tried to dishonestly compare the cost of the two projects. It is extremely offensive that the Government has tried to say that the previous Labor Government did nothing over the last four years.

Hon W.N. Stretch: It achieved nothing.

Hon BOB THOMAS: Members opposite have conveniently forgotten about the negotiations and work carried out by the Labor Government and the bureaucracy during those four years.

Hon W.N. Stretch: Three-quarters of it had to be torn up; it was worthless.

Hon BOB THOMAS: Members opposite have also conveniently forgotten about energy demands in Western Australia over the last four or five years. I will refer to that aspect as I look more closely at the history of the project. In March 1989, after the State election, the then Labor Government called for expressions of interest to build a 600 MW base load coal fired power station at Collie. Forty-four expressions of interest were received from all over the world. SECWA then spent the best part of 12 months assessing the submissions and getting in touch with the various organisations which had submitted expressions of interest. That could not be done overnight. After about 12 months a short list was arrived at consisting of the Mitsubishi Transfield joint venture and Asea Brown Boveri. Then the negotiations changed and SECWA and the two organisations started talking in detail. That could not be done overnight either. People cannot just walk into SECWA and stitch up a deal. Many issues must be taken into account.

In November 1989 the power options for Western Australia review committee, under Mr Harman, was set up.

Hon W.N. Stretch: He gave you a right royal bucketing.

Hon BOB THOMAS: He suggested that it should be gas.

Hon Mark Nevill: I did not agree with Harman.

Hon BOB THOMAS: Neither did I. The committee was set up to examine electricity generation needs, an additional power station, the environmental effects, renewable energy and the like. It was a comprehensive investigation by Mr Harman and his committee. Hon Bill Stretch is correct. The recommendation was not for coal, and the committee did not support a 600 MW coal fired station. It recommended gas. There was a lot of conflict in Caucus at the time from two different groups. We had to resolve the conflict. One group supported coal for Collie and another group put a legitimate argument that gas could deliver cheaper energy costs.

Hon B.K. Donaldson: Was that Jeff Carr?

Hon BOB THOMAS: The argument was that the capital cost to construct a gas fired power station was cheaper. Even though the operating costs were slightly more expensive, in the long run the argument was that gas was cheaper. The persuasive argument by Harman was that building a 600 MW gas power station in modular form would reduce the total cost of power in Western Australia by 10 per cent; that is, 600 MW would be about a quarter of the total power generation in this State, the unit cost of power generated by that operation being so much cheaper that we could reduce the total cost of power by 10 per cent in the State. That was important because Western Australian energy costs were between 40 and 60 per cent higher than our Eastern States competitors, and it was felt that industries were contemplating moving out of this State to other States where power was cheaper, in particular Queensland. The similar industries and similar natural advantages in Queensland were attractive and that was a very real issue which had to be taken into account and debated within Government and within the bureaucracy.

There was a lot of opposition to the coal fired power station from within SECWA.

Significant sections of SECWA were totally opposed to the coal fired power station in Collie, and preferred gas. A lot of that opposition was to do with the gas inventory which was being built up in the North West Shelf - a product of previous decisions made by a Court Government to support the North West Shelf gas project and to build the gas pipeline. SECWA had to incorporate borrowings of \$1b into its operation. In 1989, 25 per cent of SECWA's operating costs was debt servicing. The majority of that debt was built up during the previous Liberal coalition Government's term in office for the gas pipeline, the North West Shelf, and stage D at Muja. A range of issues were interrelated and had to be addressed. They could not be sorted out overnight. As a responsible Government, we addressed the issues. Mr Harman was part of that.

Hon P.R. Lightfoot: You were going to add another \$2b to the debt, without addressing the issues.

Hon BOB THOMAS: You absolute dill! This was to be a privately owned and operated power station.

Hon Mark Nevill: It is a private debt. The member cannot tell the difference.

*Withdrawal of Remark*

The PRESIDENT: Order! A member cannot call another member a dill.

Hon BOB THOMAS: I withdraw the statement.

The PRESIDENT: Order! Let us get on with it. The member was going along nicely. There is no need for interjections. I do not know whether the members understand that we have a lot of work on the Notice Paper. If this motion is passed we will go into recess until Christmas Day, so we should let the member get on with.

*Debate Resumed*

Hon BOB THOMAS: This is the first time I have ever made a derogatory statement about any member opposite. The reason was because the member did not even know that we are talking about a privately built, owned and operated, power station or that the debt would not become part of the State debt.

At the same time, the State Government was addressing a range of other factors which were impacting on the cost of power generation in Western Australia. Members opposite will remember that about the end of 1990 the State Government and the unions in Collie negotiated some productivity changes to ensure that the cost of coal was reduced. At that time the average cost of coal consumed by SECWA was \$50 a tonne. As determined by a State agreement Act a significant amount of coal came from underground. It is far more expensive to mine underground than open cut. Through negotiations led by Hon Julian Grill, Mr Norm Marlborough and a number of other people, the unions in Collie agreed to some productivity changes which saw reductions in rates of pay and, more importantly, a reduction of the number of employees. This created a lot of angst in Collie. I remember dealing with a number of families who were very stressed by the changes in Collie. However, they all agreed that in the end it was far more important that productivity improvements be made so Collie would have a viable long term future.

At that time the State Labor Government wanted to generate some true competition between the suppliers of coal, and this led to the Barrack Hill negotiations. Also, competition was sought between coal and gas. A great deal of activity was taking place to improve productivity and competitiveness in the power industry in Collie. At the same time, we were negotiating with workers at the State Energy Commission to reduce the work force by 15 per cent, which resulted in productivity improvements. All these aspects were agreed to by the end of 1990. This was not a pleasant time to be a Labor member representing Collie, but it had to be done. Eventually the people of Collie saw the changes as setting up their long term future.

By February 1991 Asea Brown Boveri and Mitsubishi Transfield submitted their revised bids for the project. In March 1991 Mitsubishi Transfield was selected as the sole bidder for the private power station at Collie. At that stage the recession had not bitten, power consumption forecasts were high and it was expected that construction would start on the

power station at the end of 1992 or early 1993, with the first unit being completed and operating by the end of 1996 and the second unit operating a year later. This situation was ratified in Parliament by the Labor Government in May 1991 when it endorsed SECWA's dealings for a privately owned, built and operated power station at Collie.

Between June and September 1991 negotiations between Mitsubishi Transfield and SECWA took place on the commercial terms of the project. However, it was not possible to reach agreement by the target date set by SECWA. This was the first inkling we had that the company would be unable to comply with the target dates. Nevertheless, some agreement was reached and in October 1991 the sole bidder status was confirmed and a new timetable was issued. Between November 1991 and March 1992 the negotiations continued, and Mitsubishi Transfield again advised SECWA of some cost increases and another delay in the project timetable.

In February 1992 the Energy Board of Review was commissioned to consider the benefits of restructuring the electricity and gas industry. The Carnegie inquiry was commissioned as part of the WA Advantage program. By April 1992 it was evident that Mitsubishi Transfield could not bank the project, and its sole bidder status was withdrawn by SECWA. Asea Brown Boveri was advised to submit a revised bid because of the changed factors which arose between March 1991 and April 1992; it was given that benefit. At that stage it was also evident that the recession had had an impact on demand for energy, and some of the projections used at the beginning of the negotiations of the project were revised downwards. Therefore, it was felt that a base load power station would not be required by the end of 1996, but probably by the end of 1998.

When ABB was formally given the status of sole bidder, the proposed start-up date was revised to January 1999; this was a 15 month delay on the initial starting date.

Hon B.K. Donaldson: Does this not make you bleed, having to go through this inept handling of the project? It must hurt you to comment on this history.

Hon BOB THOMAS: Members opposite should feel ashamed for acting in such a duplicitous way.

Hon P.R. Lightfoot: Did we lose \$1.5b from Opposition?

Hon BOB THOMAS: I will come back to that.

While the project negotiations were taking place, the then Opposition carped about record State debt. The Labor Government was attempting to remedy that debt situation, and one means of doing that was through a privately built, owned and operated power station.

Hon Mark Nevill: Members opposite were dead set against SECWA building the power station. What a somersault they did.

Hon P.R. Lightfoot: You don't get it. Mitsubishi Transfield is part of a conglomerate with one of the biggest banks in the world, yet it could not achieve finance for the project.

Hon BOB THOMAS: We were condemned by members opposite for doing something about the debt level. We placed our faith in the private sector, but the private sector was unable to bank the project.

Hon P.R. Lightfoot: It was like putting a lunatic in charge of the asylum.

Hon BOB THOMAS: The intellectual giants opposite place the blame on the Labor Government for contemplating this course of action. Uncharacteristically, Hon Bruce Donaldson speaks about inept Government. However, the work of the former Government in this matter was good government in dealing with a range of issues, not the least of which was State debt.

ABB formally submitted its revised proposal by September 1992. In January 1993 the coalition presented its energy policy to the electorate. This stated that the Collie power project would be assessed on strictly commercial grounds and on the basis of whether it would offer significantly lower tariff prices throughout its 30 year life. The coalition also

gave a commitment for a 600 MW power station; the commitment was given by the Deputy Premier, Mr Hendy Cowan, and by members of the Liberal Party. However, after the general election in February 1993 we saw an amazing backflip. We were told we would not have a 600 MW power station as promised, but a 300 MW station which was not to be privately owned and operated.

Hon P.R. Lightfoot: We didn't say that it would be private.

Hon BOB THOMAS: We were told that it would be constructed by SECWA, and that it would carry the debt.

Hon P.R. Lightfoot: SECWA would have given a guarantee. It would have been \$2b as opposed to \$5b.

Hon BOB THOMAS: Hon Ross Lightfoot is still talking about the total cost of the borrowings and the interest payments, but he does not have the decency to talk about the capital costs of that project.

*Sitting suspended from 6.00 to 7.30 pm*

Hon BOB THOMAS: Prior to the dinner adjournment coalition members suggested that the Labor Government had done nothing and had not been able to deliver on its promise to provide a 600 MW power station for Collie. I pointed out that a range of factors mitigated against the construction of that power station. That included some difference of opinion within the Government and Caucus about the relative merits of gas and coal. Issues relating to State debt also needed to be taken into account. For example, Western Australia already had a very high level of State debt largely due to previous power decisions which had been made in the seventies and eighties.

Hon P.R. Lightfoot: That is rubbish; it is simply that international financiers did not trust you.

Hon BOB THOMAS: Inane interjections like that show that this member does not understand the issue. SECWA had a substantial debt of \$3b in early 1990, the majority of which related to the gas pipeline, stage D of Muja and also the cost of building the power line from Muja to Kalgoorlie.

Hon P.R. Lightfoot: What did Moody's think of your Government?

Hon BOB THOMAS: All of those factors meant that SECWA had a large debt and it cost 25 per cent of its revenue to service that debt. We also had the issue of the level of indebtedness. As a result our Government was committed to building a privately owned and operated power station, and we gave it a go. A privately built and owned power station would have saved the State somewhere between \$1.2b and \$1.6b in debt. They were factors we needed to take into account. At the same time we were trying to get some genuine competitiveness between the various fuels for power generation - between gas and coal, and the various suppliers of coal. Again, at the same time we needed to do something to ensure that the power industry was as productive and competitive as it could be. As a Government we had to address the high cost of power in this State which was affecting the State's industrial competitiveness.

I cited examples of power charges in Western Australia that were between 40 and 60 per cent higher than in other States. We went to great lengths to improve the productivity levels within the industry. We worked with the unions to find ways to change work and staffing practices. We reduced the number of people working in the mines by about 500. A lot of pain was involved with that, and it took a long time to negotiate. In the end the miners accepted that they needed to do something to ensure their own future viability and they were prepared to make those sacrifices.

Hon W.N. Stretch: All credit to them.

Hon BOB THOMAS: At the same time, we were working with SECWA and were able to get commitments to reduce the number of staff in the Collie power industry by 15 per cent. We knew we had to do those things to ensure that power costs in Western Australia were contained. We managed to reduce them in real terms. It was a lot of hard work and

could not be achieved overnight. Now SECWA and the mining companies have the benefit of that work. We were not sitting on our hands for four years. We introduced substantial microeconomic reform to that industry and the various components of that industry.

We were also committed to a privately owned and operated power station. We went to great lengths to ensure that we achieved that. We were leading the world in that respect because this would have been the largest and most expensive privately owned power station in the southern hemisphere. We were genuinely concerned about the level of the State's indebtedness.

Hon P.R. Lightfoot: It would have been the most expensive too.

Hon BOB THOMAS: We saw this as an opportunity to not increase that debt. There was no doubt that this State would need a new base load power station sometime this decade. When we first started negotiating the forecast demand for power was a lot higher than it was a year later because the Australian economy went into recession and the demand for growth in power consumption was reduced. As a result of that we saw that the time for the need for the power station to come on line was set back by 15 months. That is a precis of what I said before the dinner adjournment.

There has been a change of Government; the new Government having promised a 600 MW power station for Collie.

Hon P.R. Lightfoot: Subject to its being economic.

Hon BOB THOMAS: Members opposite were unequivocal before the election. If Hon Ross Lightfoot asked anybody in Collie, they would confirm the coalition was unequivocal before the election.

Hon P.R. Lightfoot: You are misleading the House when you say that.

Hon BOB THOMAS: Your spokesmen were unequivocal: They said there would be a 600 MW power station. Hon Ross Lightfoot can ask anybody in Collie. They voted on the strength of an unequivocal commitment. Since then we have seen the gas lobby become far more effective than it was before the election. We have seen a backflip from this Government, because initially it said it would build 600 MW not 300 MW. Now we see it will be financed by the State Government. It will not be a privately owned and operated power station, it will be financed by the State Government.

Another factor which must be taken into account in this debate is that about a month ago Western Collieries Ltd announced it would phase out underground coal mining in Collie and that as a result, I think about 230 miners were to be made redundant. I believe that will probably be one of the biggest WA Inc style scandals this State has ever seen. It will give Western Collieries a huge benefit of about \$200m. Under a State agreement Act a reasonable amount of coal must come from underground operations. That agreement Act is to be amended, but I have not seen any amendment to that Act on the Notice Paper in this House or seen it or heard of it being passed in the Assembly. We heard on the radio from the Deputy Premier, Hendy Cowan, that amendment had not even been to Cabinet. A month ago, Western Collieries announced it would close its underground mining operation and mine the coal previously taken from underground from its open cut operation. Members will be aware it is much cheaper to produce coal that way than by an underground operation. As a result a huge profit will be made by that company.

Hon W.N. Stretch: I think you will find that is an option for the supplier rather than the buyer.

Hon BOB THOMAS: I think Hon Bill Stretch will find that SECWA was regulated to take a certain amount of underground coal in order to maintain employment levels in the mines in Collie. However, without that Act having been amended in the Parliament Western Collieries decided it would close down its operations by the end of June.

Hon P.R. Lightfoot: What is the title of the Act you are referring to?

Hon BOB THOMAS: I do not know the title; I will find out. Western Collieries said it

wanted to cease underground mining by the end of June and it called for people to accept voluntary redundancy by the end of March. Those people who did not accept redundancy would be kept on to wind up that operation. Western Collieries did not want to keep the work force fully employed until the end of June because it felt that, among the many other problems, many people would lose their motivation and be more prone to accidents, rendering the operation more dangerous. That in itself was a huge blow for the town. It had already lost several hundred miners from the district because of the microeconomic reform which was implemented four years ago and which was very difficult for the town to accommodate. Property prices in Collie have become subdued. People who have been trying to sell property in Collie for the past few years tell me their property is worth less now than it was a few years ago. Rental prices are down and the local economy is being affected negatively. It will be a severe blow to the town to lose another 230 jobs.

The State Government has a responsibility to provide some support to that town. It should be bringing forward the contract to build the power station because we now know that demand for power generation will outstrip even the most optimistic forecasts of two years ago. It should also give the town of Collie a commitment that it will construct a 600 MW power station. That will do two things; firstly, ensure there is a buffer for the town so the economy will not be cut adrift and, secondly, give sufficient confidence to people to encourage them to reinvest. Perhaps some sort of alternative industry will develop and the economy will be able to better withstand this economic blow it received a month ago.

Hon W.N. Stretch: You are not suggesting 600 MW would save the deep mines are you?

Hon BOB THOMAS: No; it would ensure the premier mine would be constructed for a 600 MW power station rather than a 300 MW power station. There is a great deal of difference. When a number of us visited Collie about a month ago, after the announcement was made to change from underground to open cut mining, we spoke to the miners, who were very angry about that decision. Many of them will lose their livelihood and their aspirations. They had made commitments to build houses and borrow money for various reasons and their jobs were cut out from under them.

Collie has a unique policy called district seniority. When people start with the company, they are allocated a number at their level of seniority and when redundancies occur the last people hired are the first ones to be made redundant. Many miners are quite concerned that they are in the category of people who will be made redundant. However, the company called for voluntary redundancies and offered people an incentive of \$6 000 to accept that. Mr Kuzman was ambiguous about this issue; it is uncertain whether that \$6 000 will be offered to those people who do not accept the voluntary redundancy but take their chances on seniority.

It was quite wrong for Hon Barry House to interject and say the miners were happy because many of them accepted the redundancy. Of course many people who were recently hired accepted redundancy because they had no hope whatsoever of reaching a seniority level which would allow them to keep their jobs. They knew the \$6 000 would help them while they were looking for a new job. It was a matter of economics. They are not happy with this or with Mr Kuzman saying the 48 redundancies in the office were voluntary. Hon Barry House has another thing coming if he is under the impression they were happy about it. Those people feel they have been let down very badly by this Government. It seems to me that this Government still cannot believe it is in Government because it still has that Opposition mind set. It does not matter which Minister or Government member I hear speak about a decision it has made, it still prefaces its comments by referring to decisions or actions taken by the previous Government.

Hon T.G. Butler: It shows a great deal of immaturity.

Hon BOB THOMAS: That is right. It is about time they learnt to take responsibility for the decisions they make and to accept the good with the bad.

Hon George Cash: If you had done what you have suggested, you would have sat down three minutes after you started.

Hon T.G. Butler: Mr Cash, would you take responsibility for some of the decisions it made?

Hon BOB THOMAS: Hon Tom Butler has raised a good point. Hon Barry House tried to justify the State Government offering 600 MW but providing only 300 MW. He spoke about the Government wanting to reduce State debt, but instead going to a Government financed power station, and he referred to the number of dollars which he said was wasted in WA Inc losses. I accept that the former Government made some bad decisions which are loosely, collectively called WA Inc. However, Mr House has embellished some of those figures to the point where they are totally inaccurate. The former Government's fiscal record indicates that when it came into power in 1983 the average percentage of State taxpayers' dollars taken out of the Western Australian community was 15.5 per cent; that is, 15.5 per cent of every dollar generated in Western Australia was taken in State taxes. When we left Government in 1993 that figure had decreased to 13.3 per cent. That meant that something like \$80m a year was not taken out of households or small business, but left in the economy. If members opposite want to talk about fiscal responsibility they should consider that and then look at their own financial records. This financial year the Government has made decisions which have increased the amount of taxes on the Western Australian community by \$150m.

Hon P.R. Lightfoot: That was through your excesses when in Government.

Hon BOB THOMAS: No, it was not. On top of that, the economy has improved to the point where State taxes - generally taxes on economic activity such as stamp duty and payroll tax - have given the Government a windfall of another \$120m. The Government is taking \$270m out of the economy each year which the former Government did not take out.

Hon E.J. Charlton: That is because the economy is twice as big.

Hon BOB THOMAS: This Government's record is very poor after one year in power. The other point the Government must understand is that it is this Government which has given this State record debt. In this financial year this Government has decided to borrow a further \$245m for general Government operations. The State debt has increased from \$11.8b to just over \$12b.

Hon B.K. Donaldson: What was it in 1983?

Hon BOB THOMAS: The glib clichés of members opposite before the State election were that they were going to throw away the Bankcard; however, they have already broken that promise because they are giving this State record debt. The decision on the power station will ensure that the State debt is higher still.

Hon E.J. Charlton: In 10 years you didn't build anything, only a debt.

The PRESIDENT: Order!

Hon BOB THOMAS: This Government owes the community of Collie more than it has given it. It should be building a 600 MW, not a 300 MW, power station. A lot more is to come on this issue before it is finalised.

HON TOM HELM (Mining and Pastoral) [7.54 pm]: I would not normally join in this debate because Collie is somewhat outside my electorate and there are not many coalmines in the Mining and Pastoral Region. However, the House should not conclude this debate until it has been made aware of some of the information gained in another place during question time; that is, how the Government arrived at a decision to build the 300 MW power station in Collie and have Asea Brown Boveri as the builders, the total cost, and the reasons it was to be 300 MW rather than 600 MW. If members listened to debate during question time in another place they would have heard the Opposition asking the Government spokesman who announced this power station about the cost, the advice he received on this matter, from where the advice came, whether he had listened to that advice and whether he knew what the executive of the State Energy Commission of Western Australia thought about the decision.



In response to those questions Minister Barnett told the lower House that he had not understood nor read the advice, but still he agreed that a power station should be built by ABB in Collie for a price. When asked what that price would be, he was not even sure. He was able to tell the House that the price of the energy would be at one rate for six or 12 months and at another rate after that six or 12 months, but he could not explain to the House what the total cost of the project would be. Hon Mark Nevill made the point that nobody was able to tell anybody what the price of the project would be. The Minister explained that he had received advice. He was asked whether he would table the advice for the benefit of the sheep on the Opposition benches. I use the word "sheep" advisedly because I heard Hon Bill Stretch talk about the fact that he was similar to many of the members on this side of the House in that he was like a mushroom and was fed on the stuff that mushrooms feed on.

Perhaps we are in a mixed up position and the members who make up the Government should have been asking questions in the party room about how the decision was made. Maybe they should have been prompting their Minister about from where he received the advice. Is it the best advice available? What was the advice? The Minister was unable to tell the House, and I am sure that he would have been unable to tell the members in the Liberal party room what that advice was. As in question time in this place, Ministers have an obligation to answer a question, although members do not have an obligation to believe or like the answer. However, the Minister was not able to do so in the public arena - the Chamber. I wonder what he told the people who make up the Government in the Liberal party room.

Hon Kim Chance: He obviously did not tell Mr Stretch.

Hon W.N. Stretch: I hope you are going to talk about the Petrochemical Industries Co Ltd deal and the other shonky deals when you were in Government.

Hon TOM HELM: Whatever the last Administration were guilty of when it went down, it is not wise for this Government to also go down the wrong track.

Hon W.N. Stretch: I assure you my friend, we are not.

Hon TOM HELM: Now members opposite are in Government they should make sure that the decisions they make, and the advice they receive, is correct. Members opposite never ask a question because if they did so the Minister responsible could not give them the answer. He could not give the parliamentarians in another place the answer because he did not know. He admitted to that. However, Hon Bill Stretch is going around beating his chest. The unbelievable factor is that the Government is building a 300 MW power station but is not allowing it to go out to tender because the secret advice says that it should not. Hon Bill Stretch stated in this House about 4.40 pm today -

Hon W.N. Stretch: What page is it on; I'll try to correct it!

Hon TOM HELM: I bet he will, too. He stated -

I do not know the intimate details of the contract but I know my Ministers and I trust them and I believe the contract will be signed.

The PRESIDENT: Order! Members cannot quote from an uncorrected copy of *Hansard*. I understand from the interjection by the member Hon Tom Helm is referring to that he is still correcting his proof.

Hon TOM HELM: Mr President, thank you for that advice. I was not sure of the position.

The PRESIDENT: The member can refer to what a member said but he cannot quote from the greens.

Hon TOM HELM: The thrust of Hon Bill Stretch's contribution was that he trusted his Ministers. I do not know what he trusts them with. In this instance he was not aware of the advice the Minister for Resources Development received. Hon Bill Stretch said that if this project were to blow apart he would apologise on bended knees in this Chamber. Hon Bill Stretch has put himself in a vulnerable position.

When the Opposition was in Government it stood condemned for taking a similar stance and it lost the election. Members opposite have never said that they were good enough to beat the Labor Party at the polls. The only thing that beat the Labor Party was itself. Members opposite have been given an opportunity to participate in this urgency motion and they have blown it. I feel very sorry for the people in the south west because of the calibre of some of the members who represent them in this Parliament.

The Minister for Resources Development told the Opposition in the other place that he did not read the advice he was given.

Hon Kim Chance: He committed \$575m without the actual contract going out to tender.

Hon TOM HELM: He has made a financial commitment, yet he admits that he does not know the final cost. He was unable to explain in the other place why the project did not go out to tender. Perhaps his advice was to the contrary. To add insult to injury he said that he employs people to analyse information and to advise him accordingly. He said that he took advice from the board of the State Energy Commission of Western Australia. If members opposite had asked the questions I am raising in their party room it would not be necessary for me to explain the situation to them now. I do not want them to go down the same path that the Labor Party was accused of going down. I want them to realise that they are in Government and they have some responsibilities to fulfil.

The Minister said that he sought advice from the Queensland Electricity Commission, Pacific Power International, a subsidiary of the New South Wales' facility, the Department of Resources Development and the Energy Policy and Planning Bureau. Hon Bill Stretch referred to this advice and I am sure that it would have cost a few bob. However, when the advice was presented to the Minister he chose not to read it. We may forgive him for that because the executive of the SECWA board are in a position to analyse the advice and advise the Minister accordingly. When the Minister was asked whether the report was unanimous in its advice he was unable to answer the question. Does not something smell? Are members not a little suspicious? Is not Hon Bill Stretch a little worried about making statements that he would kneel in this Chamber and apologise abjectly?

Hon W.N. Stretch: I did not say abjectly.

Hon TOM HELM: From the statements Government members in this House have made it is obvious that they have not asked the relevant questions in the party room.

Hon Mark Nevill: Maybe he wants to fall on his sword!

Hon TOM HELM: Members opposite should be careful because a huge blunder could be imminent.

Hon Kim Chance: It sounds as though the Minister has already made a blunder.

Hon TOM HELM: When members on this side of the House were making their contribution to this debate there were raucous interjections from members opposite, but now they are very quiet and they look very sheepish. I wonder whether that is what they are like in their party room. I wonder what sort of advice the National Party has been given, or did it not know what questions to ask? A Liberal Party Minister is involved in this case and I do not know how the coalition handles these matters. The decision certainly does not concern the Liberal Party because the seat of Collie is held by the National Party.

Hon Kim Chance: Not too well after tonight.

Hon TOM HELM: It is a National Party seat so why should the Liberal Party care? It is a little suspicious that a project costing between \$500m and \$600m has been let without going to tender. The Minister has made provision for a \$200m difference because he does not know what will be the cost of the project. He did tell members in the other House that the price offered by Asea Brown Boveri was at the lower end of the spectrum.

Hon P.R. Lightfoot: I said something similar once.

Hon TOM HELM: I accept that Transfield said publicly that its price would be lower

than that, but we are not to know that. Members opposite might need to know it because they are vulnerable - they will have to answer to the Western Australian public in 150 weeks' time when this issue is raised in the lead up to the 1997 general election. Members opposite will regret not having asked these questions in their party room. The Minister should be sticking out his chest and talking about something which all of us would be proud of; that is, a reduction in energy costs. It would be a wonderful achievement. Members from all political persuasions agree that electricity tariffs should be reduced and be competitive with those in the Eastern States.

The Minister said in the other place that energy costs will be in the region of 6.5¢ a unit for six to 12 months and after that period it will be approximately 5¢ a unit. If that is the case, where are the figures that suggest that? For example, what is the price of the power station; how much will need to be borrowed and at what rate; who will finance it; and will there be any pay-back conditions? One would then be in a position to understand the situation. However, there is a certain amount of guesswork by the Minister and he has clearly said that he does not know what the cost will be. Of course, we should admire his honesty, but we must question the integrity of Government members. It appears that they do not know how to behave and that they are not interested in this issue. All they are able to say is that a 300 MW power station will be constructed and it has already been pointed out that the Government has broken its promise. Originally, it promised a 600 MW power station, but that does not matter because it is a National Party seat. It does not look as though the Liberal Party will ever win that seat.

Hon Mark Nevill: It can get close.

Hon TOM HELM: That surprises me. I do not know very much about the seat of Collie, but I do know about ministerial statements.

Hon Mark Nevill: It is a three way race.

Hon TOM HELM: It will not be a three way race any more because the people of Collie are very aware of the broken promises.

#### *Point of Order*

Hon W.N. STRETCH: I claim to have been repeatedly misrepresented by the last two speakers opposite. I went to great lengths to explain what the Collie power station promise was. For Hon Tom Helm's benefit the promise was that the Liberal Party would proceed to build that station if it met the financial stringencies. The last two speakers misrepresented that and tried to make it something that it was not.

The PRESIDENT: Order! You cannot complain about the previous one because that has gone.

Hon W.N. STRETCH: I wanted to put that on record.

#### *Debate Resumed*

Hon TOM HELM: The member knows it is not a point of order. I hope the House will forgive me for making the assumption that a promise had been broken. If what Hon Bill Stretch says is right and it was conditional upon certain matters, then the Minister is obliged to demonstrate what information led him to agree to build a 300 MW power station. The member suggested that the contract was negotiated sensibly. The Minister does not know that, but Hon Bill Stretch knows that. He must have more information than the Minister has. I do not know whether the negotiations were with ABB, Transfield or some other player who wanted to build a 300 MW power station. The member was not clear about that. It may not have been the member - I doubt that it was; he is a man of integrity - but I suggest that some members of the Government - and there is literature to support that fact - led the people of Collie to believe that it would be a 600 MW power station.

Hon W.N. Stretch: Not by us.

Hon TOM HELM: If the member says that, I will accept it. The member said that certain strings were attached.

Hon W.N. Stretch: As there should be.

Hon TOM HELM: The member has not demonstrated and the Government's spokesman has been unable to demonstrate why those strings were too strong to build a 600 MW power station.

Hon W.N. Stretch: No-one had the money.

Hon TOM HELM: Does the member know what this 300 MW station will cost? He does not know.

The PRESIDENT: Order! I ask the member not to carry on a private discussion with the member on the other side. You must address the Chamber, and I would like you to do that.

Hon TOM HELM: Mr President, I did look at the member when I was speaking to him, but basically I was speaking to the whole of that side of the House. People have the right to feel a bit suspicious about a deal that excludes anyone else from tendering for that work. People have the right to feel a bit suspicious that, when asked about the circumstances surrounding that deal being struck, the spokesman is unable to present the advice that he received. It is okay to not present the advice - lots of people do that - but when the Opposition asked for the advice to be tabled, the Minister was frank enough to say that he had never read it. When he was asked did he listen to the advice of his advisers or were all of his advisers of the one mind, he was unable to tell the Opposition whether they were. That is a worry. It is only early days yet and he has a lot to learn. He should learn well from this exercise. If he goes down the track of doing a deal like this, he should ensure that the advice he receives is at least available to all members so that when the Minister sticks out his chest or Hon Bill Stretch sticks out his chin, there is a chance that no-one will punch them. I suggest that before members opposite go down this track, they look at what their spokesmen are saying and how they are able to support their statements.

It is good that we will get a power station in Collie. It is good that employment will be generated. My only doubt is about the way in which this decision was arrived at. If members opposite keep their side as honest as our side is, we will support it.

HON MARK NEVILL (Mining and Pastoral) [8.15 pm]: This saga has gone on almost as long as the saga we are talking about, and hopefully we can bring it to a head. Hon Jim Scott, who is out of the Chamber on parliamentary business, made a contribution to this debate and I want to say a few words in response. Hon Jim Scott regards himself as a conservationist and a green, and he obviously approaches the debate from that viewpoint. Some of his comments were quite hollow, because 10 or 15 years ago the conservation movement told us in no uncertain terms, day in and day out, week in and week out, that gas was a premium fuel and should be used only for transport and petrochemical feedstock; to burn gas in power stations was a dreadful waste. The wheel has now turned and gas is the flavour of the month. Natural gas is a far greater pollutant when it comes to emissions of nitrous oxide, which are highly toxic, and it has a lot of other disadvantages. I wonder where people like Hon Jim Scott will be in 10 years. They will probably be singing the virtues of nuclear power because there are no greenhouse emissions from nuclear power. The conservation movement has certainly changed its tune. It said 10 years ago that we should not use gas for base load power stations. What it is preaching today is the direct opposite, and it is wrong. Natural gas is a premium fuel, which should not be used in base load power stations. Japan does not have the same choice that we have. With present technology, there is a lot more pollution from using coal, so its options are more limited than ours and I can understand Japan opting for natural gas to reduce emissions such as heavy metals and fly ash which we get from coal fired power stations.

Hon Jim Scott waxed lyrical about the virtues of windmills. I was resident in Esperance for the first six years that I was a member of Parliament. The Government built the first wind farm in Australia at Esperance, and a lot of conservation minded people strongly supported that. One of the ironies of that exercise was that when the six windmills were

built at Esperance, I received complaints in my office from the conservationists about the visual pollution of these windmills along the coast at Esperance. I have seen pictures of the hills in California - I do not know which cities they are around - which are like cemeteries, with windmills going into the far distance. I have also seen pictures of fields in Denmark with hundreds of windmills. Although we need to foster these alternative energy sources, they are not necessarily the answer to power generation. They are useful only on the fringe. In Esperance they are economical because that town burns light oil and the cost of electricity is about 23¢ or 24¢ a unit, which is way above the cost of electricity on the grid in the south west where there are base load power stations.

Hon Jim Scott talked a lot of sense when he spoke about energy conservation. He assumed that nothing has been done. A lot has been done in that regard in this State over the past decade or so. Energy audits of departments have saved massive amounts of money. Studies have been carried out in communities, such as Broome, to find ways to save energy. People must switch to using fluorescent tubes. I use them and also a very low wattage mercury vapour lamp in my house. I did not realise that the mercury vapour lamps are about eight times as bright as an ordinary lamp and when switched on it is almost as bright as a street lamp. People cannot be forced into energy conservation; it is an education process. The only way it can be done is by an energy pricing policy which increases the cost to consumers. If we do that for the domestic consumer, should we do it for industry as well? We cannot force people into energy conservation by a pricing policy. If members of the Greens (WA) party are serious about this, they should put pressure on the Federal Treasurer, Ralph Willis, to bring in a tax on greenhouse gases and see how that affects their vote at the next election. They would be absolutely decimated if they held the Federal Government to ransom to bring in such a tax.

Over the past 10 or 15 years the Government has made a big effort in that area, and it is continuing. I am not sure whether the new Government is taking any initiatives. The Energy Policy and Planning Bureau has been digested somewhere but I do not know whether it still has some of those functions. Hopefully the research that has been done by the Minerals and Energy Research Institute of WA will continue, as will the initiatives taken by the previous Government. Energy conservation is not happening fast enough although there are benefits associated with it. It will not happen over night. That does not mean that Hon Jim Scott is the only person in this Chamber who is interested in energy conservation.

Strangely enough most of the speakers in this debate did not really address the issues I raised in my speech. We had a number of speeches about the Government's business dealings, which are quite irrelevant when we talk about whether we should build a 600 MW or a 300 MW power station. A couple of speakers commented on all of the benefits that a 300 MW power station will bring to Collie and the State. They are quite correct except that a 600 MW power station will double those benefits. That fact seems to be ignored. Those speakers seemed to argue that a 300 MW power station was better than nothing. We agree, but we say that a 600 MW, not a 300 MW, power station should be built in Collie.

Government members complained that four years of negotiations were held by the previous Government compared with this Government's negotiations in one year. The comparison is quite dishonest. Hon Bob Thomas pointed out the very different processes that were going on. During the time of the Labor Government we had very different estimates of power demand. A number of factors were at play which affected the negotiations during that period. Hon Bill Stretch made a confusing speech, little of which was relevant to the debate. He did say that the reason the Transfield Construction Pty Ltd project did not go ahead was that the international financiers, the banks, would not lend the Labor Government the money because it was dishonest. Now he says that we cannot build a 600 MW power station because the private banks will not lend the money. Is it the case that the same reason applies to this Government? It is not a logical argument.

Hon W.N. Stretch: It does not apply.

Hon MARK NEVILL: The situation of Westpac Banking Corporation being the leading banker in the consortium raising the money for Transfield 18 months to two years ago is very different from financing this project today, given today's interest rates, the projected power growth and a healthy, growing economy. That comparison is dishonest.

Hon W.N. Stretch: That was not a comparison. You are confusing my two arguments. I am sorry that you are confused. They were two separate arguments.

Hon MARK NEVILL: Hon Bill Stretch mentioned the figure of \$2b for the 600 MW power station.

Hon W.N. Stretch: The total package.

Hon MARK NEVILL: Yes. That takes into account the cost of capital at the end of construction. In the same speech, Hon Bill Stretch talked about the \$575m cost for the 300 MW power station.

Hon W.N. Stretch: I did not put a dollar figure on the new station.

Hon MARK NEVILL: Those two figures cannot be compared. By way of interjection - I do not think it got into *Hansard* - Hon Bill Stretch mentioned that the interest costs for the 600 MW power station would be about or over \$1b.

Hon W.N. Stretch: Just about doubling the capital cost.

Hon MARK NEVILL: Obviously there will be significant interest costs involved in the 300 MW power station. If the other 300 MW unit is built, there will be even greater interest costs.

Hon W.N. Stretch: The financing structure is totally different as you will see when you read the agreement.

Hon MARK NEVILL: An Opposition works at a disadvantage because it can only go on the information before it. I was seated on the other side of the Chamber when we were in Government. Power is always about controlling the flow of information. I can bet my bottom dollar that not one of the backbenchers is fully informed about what the Government is entering into. When I say "fully informed" I am not talking about the final details. I guarantee that the backbenchers are going on very general information. Hon Bill Stretch alluded to the fact that he has great faith in his Ministers - and that is what backbenchers need.

Hon W.N. Stretch: I do.

Hon MARK NEVILL: Backbenchers need to have a lot of that; but they never really know the whole story. We are not even privy to the project interest costs and amortisation costs of this single 300 MW power station. We do not know the price we are paying for it. This is a difficult position from which to debate the issue.

Hon W.N. Stretch: It is really a strange time to move this motion. It would be far better to deal with it when you have the facts.

Hon MARK NEVILL: The member should put himself in my position: It is difficult to raise this matter after the deal has been sealed.

Hon W.N. Stretch: I have been a shadow Minister, too.

Hon MARK NEVILL: The horse has bolted. We hope that the deal has not been signed and that a few backbenchers will burrow through the pages and satisfy themselves that this is the right decision.

Hon W.N. Stretch: We are confident that our horse has not been nobbled like yours.

Hon P.R. Lightfoot: We have to be careful that if there is too much protest against the 300 MW power station, we may have none. That is an option.

Hon Doug Wenn: That is an interesting statement.

Hon MARK NEVILL: A couple of years ago a paper was distributed that has been attributed to the member for Greenough. I do not know whether he was responsible; I am

unaware of the author of the paper. For some obscure reason two people who are now senior advisers in the Government were urging the Liberal Party to scrap the privately built, owner operated power station proposal in Collie. I do not know whether that paper had any credibility.

Hon W.N. Stretch: All parties accepted that there was a divergence of opinion. I think Mr Harman was very free with the distribution of his paper.

Hon MARK NEVILL: There was a divergence of opinion in our party. I do not agree with the Harman report. I think he is wrong, wrong, wrong.

Hon P.R. Lightfoot: There are two fundamental factors that make this a better deal per megawatt than the 600 MW proposal under your program. One of them is that there is far less lead time before you recoup some of the costs, such as a quicker amortisation of the capital cost. The second is that interest rates are considerably lower than those projected at the time.

Hon MARK NEVILL: If the cost of capital is lower, that should give more incentive to go for the 600 MW power station. Hon Ross Lightfoot was either not concentrating or very confused during the debate, because he interjected twice that our proposal for a build, own and operate private power station could add \$2b to State debt. The whole point of building it is that it does not add to State debt. That is why, when members opposite were in Opposition two or three years ago and we were trying to negotiate this deal, they were absolutely opposed to SECWA building and owning the power station. They solidly supported a private builder, private owner and private operator. On coming to Government, they have taken a very different view. I have no argument with that if it is based on changed circumstances. But it does not change the fact that this proposal will add to State debt. The previous proposal would not add one cent to State debt.

Hon P.R. Lightfoot: The \$2b proposal that you put up had to be underwritten by the State. That is why it was not a goer.

The PRESIDENT: Order! I wish the member would not keep interjecting. And I nearly had to call on the Leader of the House to remind him of Standing Order No 78, which provides that a member cannot cross between the member speaking and the Chair.

Hon MARK NEVILL: I understand Hon Ross Lightfoot's desire to speak. He is probably the only member opposite who did not get to his feet. I thought I would be having a relaxing night listening to other members, but that did not eventuate. Members opposite cannot blame us for some of the delays in this House. When they berate us next time, they should remember this debate.

I will reiterate some of the points I made which were not addressed by Government members in response to the motion. They did not argue a case for this project not to go out to tender, which is unprecedented, and did not defend the admission by Hon Colin Barnett that, as he saw it, he went into this negotiation with a moral and a legal obligation to Asea Brown Boveri. That has cast doubt on the price at which the Government settled. The Government did not tackle the argument that the price of \$575m is too high. We now know that that amount does not include interest costs.

The Leader of the House referred to new environmental requirements. They should be tabled so that members can see how onerous those requirements are. Will they significantly add to cost? Members are in the dark as to what prices we are comparing, but we know that the Transfield consortium has claimed that it could build this power station for \$520m or less. Maybe it can and maybe it cannot. If the project had been put out to tender, we would have found that out.

We know that a 600 MW power station in Collie would have given economies of scale in the production of coal. We know that it would have produced coal for approximately \$30 a tonne. We know also that SECWA has recently signed contracts for coal at \$40 a tonne because economies of scale cannot be achieved with open pits. They can be achieved at a greenfields site with the most modern machinery. With long term contracts, those economies of scale can be achieved. That approach would result in a reduction of at least \$10 a tonne of coal.

This project will make it even more difficult for the Government to honour its election commitment to the people of this State to reduce State debt. It will add considerably to State debt, just as the Muja D power station and the North West Shelf project added to State debt. I do not have a hang-up about State debt. I believe that debt is quite acceptable if the money is spent for a worthwhile purpose and a return is achieved on the expenditure. The Government's election commitment was to get rid of all State debt by the year 2010. It does not believe in financing projects such as schools, hospitals and so on out of State debt. I have said in the House to the Minister for Finance that that is a silly commitment to have made. I do not know how he let those nonsense proposals become commitments.

Hon W.N. Stretch: You know it is a lot better if you can do it out of profit.

Hon MARK NEVILL: That is good if it can be achieved. However, with a growing population, that is impossible. If the Government is to build a port that will be used for 50 years, it should be able to amortise the debt into the future, because future generations will use it and it will produce wealth. There is nothing wrong with debt as long as it can be serviced and it is manageable. Prior to the last election, State debt was used as a part of creating a bogey. No Government members really acknowledged the changed circumstances in energy demand. The projection at present is 6.5 per cent. The Government has revised its figures on the increase in gross State product from four per cent to 4.5 per cent. That will ensure that energy growth in this State will be at least 6.5 per cent. The energy growth is strong.

Hon W.N. Stretch: You have also to look at where the growth is going to be. A lot of it should be in your electorate.

Hon MARK NEVILL: That is a valid point. SECWA operates the grid in the Pilbara.

Hon W.N. Stretch: But there are better ways of servicing it than with a 600 MW power station.

Hon MARK NEVILL: Obviously, the Collie base load power station will service power only in the south west, but it will have an effect on gas that is supplied to the south west. If we can get the Collie power price as low as possible, it will be the benchmark for the gas price. No-one disputed that there is likely to be an energy shortfall between 1996 and 1998 in the vicinity of 200 MW. The Minister admitted that in the other place. No-one has denied there is need for more gas capacity now because of increased demand. As well, there have been a number of newspaper reports, none of which has been confirmed by the Government, of proposals that have been put to the Government to increase power generation capacity at Pinjar.

I do not think a serious response has been given to the arguments that have been advanced in this debate. I ask those people who have taken an interest in this debate to make sure that they get a pretty good handle on the figures used in this process - for example, what sorts of interest rates, what sorts of inflation rates, what sorts of coal prices have been factored into this 300 MW power station at Collie - to make sure in their own minds that it will not be a monster. The Opposition believes that history will show that the Government has made the wrong decision. It is not mischief making on our part. We believe that the right decision is a 600 MW power station at Collie.

Motion, by leave, withdrawn.

## **PETROLEUM ROYALTIES LEGISLATION AMENDMENT BILL**

### *Introduction and First Reading*

Bill introduced, on motion by Hon George Cash (Minister for Mines), and read a first time.

### *Second Reading*

**HON GEORGE CASH** (North Metropolitan - Minister for Mines) [8.42 pm]: I move -  
That the Bill be now read a second time.



The Bill proposes amendments to the Petroleum Act 1967 and the Petroleum (Submerged Lands) Act 1982 related to treatment of Federal duty in the calculation of petroleum royalties. The Bill is for an Act which is deemed to have come into operation on 1 March this year.

Under Western Australian petroleum legislation, the wellhead value of petroleum recovered forms the base upon which royalties are calculated. The amendments ensure that no allowance is made for Federal duty in the calculation of wellhead volume for royalty purposes. This has been achieved by creating a new base on which royalty is to be calculated. This royalty value is defined in the amendments.

The Commonwealth Government has always argued that excise payments should be deducted in the calculation of the value at the wellhead.

Allowing payments such as excise to be treated as a deduction prior to the royalty calculation not only gives these payments a higher priority than the State's royalty payment but also leaves the way open for a considerable erosion of the State's revenue base should these payments be increased by the Federal Government.

The State view is that royalty is the payment for a community-owned resource and this purchase price must be paid before the payment of any Federal tax or charge, with the exception of fringe benefits tax.

The amendment confirms the State's philosophy on royalties. I commend the Bill to the House.

Debate adjourned, on motion by Hon John Halden (Leader of the Opposition).

## SECONDARY EDUCATION AUTHORITY AMENDMENT BILL

### *Second Reading*

Debate resumed from 9 December 1993.

**HON J.A. COWDELL** (South West) [8.44 pm]: The Australian Labor Party generally supports this Bill but not in its totality. The Minister for Education would be disappointed if he missed out on the encouragement other Ministers have received over the past day and a half. I will restrict the amount of encouragement, however. The Opposition supports the general thrust of the Bill on the basis of the Minister's second reading speech. I note his explanation as follows -

The Secondary Education Authority Amendment Bill is a straightforward piece of legislation which deals with the composition of the Secondary Education Authority and its statutory committee, the tertiary entrance subject committee. The Bill provides for membership of the authority to be reduced from 28 persons to 14 persons and for the membership of the tertiary entrance subject committee to be reduced from a maximum of 18 members to 11 members.

A review of the operation of the Secondary Education Authority carried out in 1990 by Dr P. Tannock and Mr Helm concluded that a significant downsizing in composition of the authority was required. It was seen as being too large and too unwieldy. In the review of education and training by Dr R. Vickery, Mr I. Williams and Professor G. Stanley published in July 1993 a similar comment was made.

The Minister continues -

At its meeting on 11 August 1993, the Secondary Education Authority approved a reduction in the number of members on the authority and supported the principles outlined in the Vickery report as the basis for membership of the new authority.

The Minister then made one final relevant point -

The membership structure proposed for the authority and the tertiary entrance subject committee in this Bill are in line with the recommendations or the spirit intended by the Vickery review.

When Dr Vickery briefed Opposition members I noted his argument about downsizing the authority and its most important committee. He noted that 28 was an unwieldy number and that some 80 different people had served on the board over the last two years and stated an average attendance of something like 50 per cent out of 80 persons. The argument on behalf of the full committee is set out in the review of education and training dated July 1993. On the basis of the arguments presented, the Opposition finds that there should be a downsizing of the authority and the committee in the manner suggested. The Vickery committee stated -

The size of the membership is seen by members to lead to large and unwieldy meetings. The existence of large sectoral blocks has tended to polarise members of the Secondary Education Authority into specific interest groups, pressing sectoral interests. This has discouraged members from seeing themselves as expert members of a committee, jointly engaged in problem solving. There was strong support for the restructuring of the Secondary Education Authority as a smaller Authority of between 12 to 15 credible experts.

This view is supported by the Tannock-Helm inquiry . . . the current Chair and Deputy Chair of the Authority, the Director and the Western Australian Secondary Principals' Association. It is in line with developments in other States where small expert authorities are replacing large authorities of nominated representatives.

The case for a smaller Authority is also supported by examination of the attendance record of current members. Overall, attendance by individual members is approximately 70 per cent, with the attendance of some sectors (for example, the Department of Employment, Vocational Education and Training) being below 60 per cent.

That is an interesting comment particularly in view of the emphasis on increasing the representation of the sector. I hope they can improve their attendance record given their weighting under the new structure. The committee's report continues -

More than 75 individuals have attended Authority meetings over the past three years either as an official member or proxy. While such wide membership may contribute to a broader understanding of the work of the Secondary Education Authority it must work against the continuity and task orientation of Authority meetings.

With regard to size, the committee said that some concerns were expressed that a smaller authority could create an overload of committee work on individual members. However, the review committee considered that such problems could be overcome by the secondment of additional persons with particular expertise to join members of the authority in subcommittee work. I will be interested later to hear the views of the Minister on that secondment aspect and whether it will be utilised given the downsizing of the committee.

Having taken into account those very reasonable arguments put forward by Dr Vickery in person and by his committee, and on the basis of the Minister's second reading speech, the Opposition agrees with the downsizing of the committee. The Opposition has no objection to the clauses in the Bill that pertain to mechanical procedures, including clause 4, which amends section 3; clause 6, which repeals section 7 relating to the provision of deputies for the authority; clause 7, which is a consequential amendment to section 8; clause 9, which amends section 25 by downsizing the tertiary entrance subject committee; and clause 10, which repeals section 26, which relates to the abolition of deputies of that committee.

The Opposition is concerned about the way clause 5, which amends section 6 of the principal Act, diverges from the recommendations of the Vickery report. The amendment relating to downsizing of the authority in clause 5 is reasonable. It states that the authority "shall consist of 14 members of whom 13 are to be appointed by the Minister in accordance with this section and one is to be the Director". However, proposed new subsection (2) states -

Of the appointed Authority members, 8 shall be nominated as follows -

- (2) 2 shall be persons nominated by the chief executive officer of the department -

That is in accord with the recommendations relating to two representatives of Government schools. I notice that the suggestion in the report was that it be the chief executive officer of the ministry and a nominee of the WA Secondary Principals Association. Obviously, that has not been acted upon in line with the advice tendered by Mr Black to the effect that it should be "2 persons nominated by the chief executive officer of the department". One is not to be the CEO and one is not to be the nominee of the WA Secondary Principals Association. Paragraphs (b) and (c) are in accord with the recommendations of the Vickery report; that is, one shall be a person nominated by the Catholic Education Commission and one shall be a person nominated by the Association of Independent Schools of WA. However, paragraph (d) states -

2 shall be persons nominated by the senior officer of the department having responsibility with respect to technical and further education under the *Education Act 1928*;

That is in accord with the added emphasis on that sector. I notice that the original recommendation was for two representatives from the State training sector, the Executive Director of the Office of Accreditation and Review and a nominee of the State Training Board. Obviously those two representatives were not so defined under paragraph (d).

The Opposition has no difficulty with the representation included in paragraph (e) of proposed subsection (2) although it is a considerable downsizing. It states -

2 shall be persons each of whom is nominated by one of -

- (i) the Council of Curtin University of Technology;
- (ii) the Council of Edith Cowan University;
- (iii) the Senate of Murdoch University; or
- (iv) the Senate of The University of Western Australia,

However, paragraph (3) is a considerable departure from the recommendations by Dr Vickery. It states -

The other 5 appointed Authority members shall be appointed as follows -

- (a) one shall be appointed to be the chairman of the Authority;

That is unexceptional and was recommended. However, the paragraph states -

- (b) one shall be appointed to represent the interests of teachers;

That is a radical departure from the recommendations by Dr Vickery, who spelt out that there should be a nominee from the State School Teachers Union of Western Australia and a nominee from the WA Council of State School Organisations. These two organisations have been completely obliterated and we have one representative, who shall be appointed to represent the interests of teachers, whatever that means and, of course, the community component nominally goes up from two to three. Previously, Dr Vickery had suggested two general members to represent the community with a demonstrated interest in education. Instead, paragraph (c) states -

3 shall be appointed to represent the interests of the community generally.

Obviously, the sector that suffers here is the school teachers' sector. The membership of the authority includes State school teacher nominees for four positions in their own right, and then an additional teachers' union nominee as someone representing the union from the technical education system. Far from downsizing and maintaining some balance, there is a complete wipeout of the union sector. Although the representation from every other group decreases - the university sector decreases from four to two and so on - we suddenly find the teachers' union has no experts to contribute and its representation decreases from five to zero. Of course, the State School Teachers Union of WA is not

the only representative body of teachers. The Independent Schools Salaried Officers Association of WA does not get a guernsey either, and the suggestion of Dr Vickery that the Western Australian Council of State School Organisations be accorded some status is also wiped away. I am probably not surprised at the Government's move in this direction, particularly given the comments of the Minister earlier in the day with respect to the teachers' union. I note that he said the teachers' union was positively Neanderthal in its attitude to change.

Hon N.F. Moore: I was referring more to the general secretary of that union than the membership.

Hon J.A. COWDELL: I take the Minister's point but I wrote those comments down at the time.

Hon N.F. Moore: What you say is correct, but I was referring more to the public voice of the union, Mr Quinn.

Hon J.A. COWDELL: The Minister also said the union was preventing change when the teachers wanted it, and the Minister is right in saying that he later singled out Mr Quinn, the general secretary, saying that he was ancient in his attitude to educational change. Clearly, the teachers' union has ceased to have any expertise and cannot be entrusted to provide advice to the new committee. Nor, of course, can the Independent Schools Salaried Officers Association or WACSSO. I certainly do not believe that this cut in teachers' union representation is warranted. Members may be aware that the teachers' union is by far and away the largest body representing teachers in this State, with a membership of approximately 15 000 in the State school system. It has a history of very considerable contribution from its formation in 1898 onwards to the development of educational policies in this State. Obviously, at various times in its history the union has concentrated more on straight industrial issues, such as wages and conditions, and it has sometimes ignored wider educational policy development. I do not think that is a situation to be encouraged; I believe the union should be involved in relevant and important committees and authorities that determine educational policy in this State. I am aware that the committee for the review of rural education has a representative from the teachers' union, and that union has been represented on a range of other committees in recent years. The union should be involved in the development of educational policies rather than be pushed to one side as merely a trade union having responsibility for wages and conditions. I do not think that union representation should drop from five to zero on the Secondary Education Authority. Under this Bill, only one person shall be appointed to represent the interests of teachers. It may well be that the Minister at his discretion will appoint someone who is a member of the SSTUWA, but who may not represent the collective opinions or distilled wisdom of the union. The Minister may go outside and appoint someone from the independent teachers' union, which has a membership of about 2 000, to be the sole representative of teachers. There is only one defined representative and, although one may crop up under the community interests heading, the definition seems not to encourage that. Given the preferences of the Government, one may be a teacher with the excellent credentials of not being a member of either of the SSTUWA or the Independent Schools Salaried Officers Association.

The exclusion of WACSSO is also to be deplored. Members will be aware that this organisation represents 600 affiliated parents and citizens associations throughout the State, and has provided valuable expertise and information on parental attitudes to curriculums and the like. I must express concern about the proposed amendment to section 6 in clause 5, in that it departs from the suggestions made by Dr Vickery about presenting a balanced and expert committee, and providing the balance that is necessary. I also note that it diverges from Mr Black's comments in this regard when he wrote -

In changing the membership of the Secondary Education Authority it is essential for the Committee's principles to be observed, especially the first one which states that the balance between sectors will be maintained in the reduced membership.

I do not believe that under this proposal the balance between sectors is being maintained at all.

Hon Derrick Tomlinson: How does it define sectors?

Hon J.A. COWDELL: It could be open to two interpretations. The first is the various categories under which members were appointed to the authority before; that is, in terms of Government and private school systems, post secondary education and so on. It could equally apply to the union sector, particularly given that the Vickery report went out of its way to refer to the SSTUWA and WACSSO. I conclude by voicing the Opposition's reservations on that section of the Bill. Members will be aware that an amendment has been circulated, and at the Committee stage the Opposition will try to give effect to the recommendations of Dr Vickery by moving that amendment.

HON JOHN HALDEN (South Metropolitan - Leader of the Opposition) [9.10 pm]: Basically, Hon John Cowdell has covered all the issues one would want to cover relating to this Bill. As shadow Minister for Education I find it amazing that when considering the membership of the Secondary Education Authority, the Government has given no clear signal that either the union or parents will be represented. As outlined by Hon John Cowdell, the Opposition has no problems with the downsizing of both the authority and the tertiary entrance subjects committee. It is clear from the Vickery report, and from personal knowledge, that committees comprising 28 or 18 members - as these committees did, respectively - are unwieldy. The results of that situation seem to have come to fruition with difficulties being experienced in the past.

As to the recommendations made in both the Tannock/Helm report and the Vickery report, the Opposition agrees. It is not appropriate to say in a second reading speech that the authority supported the principles outlined in the Vickery report as the basis for membership of the new authority. In one important area the Vickery report states that in recommending a change to membership the committee adopted the following principles to retain the broad balance between the sectors. The sectors were university/TAFE, schools, community and unions. In this situation, the two unions are not even guaranteed one position. My dealings in the community since I became the shadow Minister for Education, suggest that the Minister suffers from a psychological problem called "union phobia". He does not want to meet with them, talk to them, or to take cognisance of their views. He thinks they have no value whatsoever and should not put forward a view on behalf of the people they represent. That may be the Minister's psychological problem, but good management leads to cooperation and he should seek cooperation from that important sector of the education system. To treat people with such disdain leads to a lack of cooperation. When talking about the Secondary Education Authority, its involvement in accredited courses, and the provision of certification, clearly the union has a legitimate view on behalf of its membership.

We are not talking about a committee comprising 14 members. We do not propose that the unions have six members out of 28. The Opposition does not promote the concept of three union members, or that it should represent half or even one-third of the committee. We understand the Minister's psychological problem with unions. All we say is that he could come to a position that at least acknowledges the union's legitimate view and representation of its members, and that that view should be listened to. The Minister should provide forums for the unions to express those views.

Hon Tom Helm: Did you say that the Minister was psychotic?

Hon JOHN HALDEN: I said that he suffers from union phobia. Other people call him other things but I do not want to be offensive.

Hon N.F. Moore: You cannot help yourself most of the time.

Hon JOHN HALDEN: I am not fussed about the Minister's comments. We covered the issue of petulance yesterday. This is petulance on the part of the Minister. The Minister for Mines often speaks in this place about safety matters and mining matters, but he is not silly enough to suggest that there should not be some union involvement. We may not agree with the level of the representation on the committee; that is an argument about the numbers. The Minister has not been petulant enough to just obliterate this significant sector. This is a very silly move by the Minister.

The second reading speech reads -

The membership structure proposed for the authority and the tertiary entrance subject committee in this Bill are in line with the recommendations or the spirit intended by the Vickery review.

The Vickery report is clear. In two paragraphs the Minister is supporting the Vickery report but a cursory examination of the report will show that the Minister is not even getting close to the spirit intended by the Vickery report. If the Minister considers that appropriate, and that his comments are a true reflection of his position, he needs to overcome his problems about unions and realise that they have a legitimate role to play.

I turn now to the Western Australian Council of State School Organisations. It has been recommended that that organisation have a member on the committee. As stated by the previous speaker, WACSSO is another organisation representing more than 600 schools in this State out of a total 780 to 800 schools. Many of those people are keenly interested in issues associated with accreditation, how we develop our new accreditation process, how children get into tertiary education, as well as talking about and having some understanding of the concept of scale. That is a difficult concept for many people to understand, but they have a legitimate desire to understand and have input to the process. It is amazing that parents are not able to air their views on this matter.

In the long term it will be difficult for the Minister if he continues to alienate significant sectors and community bodies within his Education portfolio but expects their cooperation in the longer term. I am very disappointed about that. I ask the Minister whether the comments I have heard within his department that his idea of a person to represent the interests of teachers is someone from the Secondary Principals Association is correct. Does the Minister propose to appoint someone from that association? I suggest that organisation, although legitimate, does not represent - by virtue of its name - the mass of teachers within the Education Department at the moment. The question should be asked also whether the representative will come from the Primary Principals Association.

In general, the amendments proposed in this Bill are worthwhile. They will result in the committee and the authority working far more efficiently and effectively. As stated in the Vickery report, the difficulty in regard to the previous representational basis was that people tended not to be on the board as experts in their own right; they tended to divide themselves into sectional interests and vote in blocks. I am sure that was not the intention of the previous Government nor of this Government. I hope that situation can be broken down in future. The legislation contains many reasonable and acceptable features. The great tragedy is that the Minister has failed to recognise the two significant bodies in the education area. I hope that sense will prevail. People should be appointed in the last category to represent general interests, and I hope that that is where the Western Australian Council of State School Organisations will have its representation. It is unfortunate that the Minister has not given that organisation the surety that it would be represented on this body. If the Minister wanted to amend the legislation in that way, we would have no objection. Some minor amendments are standing in my name on the Notice Paper to which I have spoken in a general way.

**HON N.F. MOORE** (Mining and Pastoral - Minister for Education) [9.22 pm]: I thank the Opposition for its general support of the Bill. Clearly, it is necessary to reduce the size of the Secondary Education Authority to make it even more efficient and effective. A membership of 28 is unwieldy. The recommendations of the Vickery report and other reports were that the authority should be reduced in size. Basically, that is the intention of the Bill.

Hon John Cowdell spoke about secondment to the new authority as recommended by the Vickery report. I suggest that we work out how the authority works with a membership of 14, and if it is necessary in future to second people due to the demands of committee work I will consider it. I am not sure whether that would require legislation, but we can consider that down the track.

Regarding the points raised by Hon John Cowdell and Hon John Halden about authority membership, I remind them that the authority has a specialised role. It determines the practice and policy with school certification and university admission. Increasingly, its role will relate to post compulsory education and tertiary institutions. It is not a body with a broad overall view of education. It is not a policy making body regarding the whole gamut of education, so its membership should have specialised knowledge of issues addressed by the authority.

I sought slight changes to the recommendations of the Vickery report to take away the sectional representative nature of the authority. This was to create a board comprising people with backgrounds in certain parts of the education system, but who do not represent the interests of a particular organisation. I want 14 people on the authority who have a fundamental and deep seated knowledge of education, particularly in the areas with which the authority is involved. This group will deliberate on the basis of their expertise and not on who they represent.

In my term as Minister I have established a number of organisations to which individuals are appointed for expertise and not as representatives of organisations. I have done so because the tripartite bodies in many areas of Government draw people with different points of view. These views are representative in nature and do not change; therefore, the bodies do not work. The SEA membership should comprise people with broad educational interests chosen for their expertise, not their representative interest.

The membership outlined in the Bill is slightly different from that recommended by Vickery. The director of the authority is to be a member of the authority, and Dr Vickery did not recommend that. The various sectors of the education industry which are putting forward nominees will do so to the Minister, who will choose the persons to sit on the authority. The Chief Executive Officer of the Education Department will nominate two persons with an interest in education who can make a contribution to the authority. That situation will allow flexibility not provided by the Vickery report recommendation.

The Secondary Principals Association will not make a nomination, as recommended by Vickery. Hon John Halden said that this should not be the case and that the unions, as recommended by Vickery, should be on the authority. The member cannot have it both ways. He says that Vickery is wrong in one respect but right in another. That logic is typical of the Leader of the Opposition. The Catholic Education Commission and the Association of Independent Schools will nominate one person each, with two persons nominated from the training sector and two from the universities. The Vickery report and the Bill also agree that the chairman should be a member of the authority.

Another slight variation between the Bill and the Vickery report is that Vickery recommended one person on the authority from the unions. The Bill refers to one person representing the interests of teachers. The Vickery report recommended one person from the Western Australian Council of State School Organisations and two community members. I suggest three community members; in that way, we avoid people representing particular interest groups. Undoubtedly, when the authority is established, several teachers who have been in the business for a long time and understand teaching will represent the views of the teaching profession. I have no doubt that at least one parent will come from the allocated community membership. Also, people from the various other sectors will no doubt be parents and can represent the parents' view without representing a particular body of opinion.

The thrust of the Bill is to put in place an authority comprising people appointed because of their broad expertise and representation of a part of education, but not representing particular organisations. I draw a comparison between the proposed authority in this Bill and the Hoffman group looking at devolution. I appointed people to that group on the basis of their expertise, which I thought should be brought to the discussion. I appointed Ed Harken, the former President of the State School Teachers Union, not in his role with the union but as somebody who could consider devolution from the point of view of a teacher.

A good reason for pursuing this course of action was given by Hon John Halden when he

said in his concluding comments that a problem with the SEA has been its division into sectional interests. He said that people form a caucus, so to speak, of sectional interests and the overall results are not achieved. Hon John Halden gave me the response to the argument he had put forward. Mr Halden, as is his wont, sought to be critical of my attitude towards unions. He said that I have a psychological problem with unions. I have a psychological problem with some of the things that unions do from time to time, but as a part of our society they probably are in some ways necessary. One of the problems I have with the State School Teachers Union is that one never knows who to talk to when one talks to the union. When I first became the Minister I was not prepared to talk to Peter Quinn because I did not think he represented the interests of teachers, but I was happy to talk to the president. I had a meeting with the then vice president, Colleen Haywood, who then quite grossly misrepresented something I said and had it published, only to have to retreat from that in a later edition of *The Western Teacher*. I have also had discussions with the union president, Mr Lindberg, who regrettably, from his point of view at least, does not have control of the union at present. The executive, under the effective control of Mr Quinn, is running the show and Mr Lindberg is merely being treated as an appendage to the organisation and is regarded as being totally unnecessary. It is interesting that, for some spurious purpose, in recent days the union argued that I should be sacked.

Hon Doug Wenn: Hear, hear!

Hon N.F. MOORE: It came to our notice that the union president did not even know about that press release, or the course on which the union had embarked.

Hon Doug Wenn: He should resign.

Hon N.F. MOORE: He was elected by a majority of members of the teachers' union. If Hon Doug Wenn does not believe that is how a president should be elected, maybe he should tell us what he believes. If Hon Doug Wenn took some interest he would know that the numbers on the executive of the union are against the president; so the executive makes decisions regardless of the president's point of view. In the day to day running of the union, the president - who used to be Ed Harken - used to make comments on a day to day basis. Now Mr Quinn does that and Mr Lindberg has been frozen out. I do not care what the teachers' union does with its internal problems, that is its business, not mine, but I have raised that because I do not know who to talk to. If I talk to Mr Lindberg I do not know whether he can speak on behalf of the union executive. If I talk to Mr Quinn, am I talking to an elected representative or a paid employee? Should I be talking to an elected representative? Perhaps I should be talking to this new fellow named Stephen Jolly who the union has imported from the Eastern States. This crazy, left wing militant, who has had a few problems in Melbourne and been brought across here to be a spokesman on behalf of the parents of Western Australia, has an interesting history. Maybe I should talk to him. I went to a public meeting recently to talk about Western Australian schools to parents. What did I get from the teachers' union but a tirade from Mr Jolly about what I might and might not do. I suggested he would have no idea, bearing in mind he is not from Western Australia and he would not know what on earth is going on here; his speech demonstrated that. I do not know who to talk to at the teachers' union, so I have chosen not to talk to anybody.

Hon Kim Chance: That is a intelligent response.

Hon N.F. MOORE: If anybody wants to talk to me, I am happy to do so. I do not initiate any contact with the teachers' union. I read its scurrilous newspaper. On a few occasions it has been defamatory, but I have chosen not to sue on those occasions. They carry on like undergraduate-type personalities. Its headline last week was "1 000 teachers to be sacked - secret report". It is so secret nobody has seen it. I have had the whole Education Department scoured from top to bottom for a document that talks about teachers being sacked. Everywhere I look, every document I read, and everything I say, tells me that we will have an increase of population of students by the end of this decade of 15 per cent. We will need more teachers; in fact, the evidence suggests we will be short of teachers in three or four years. I will not sack anybody. I am looking for more



and more people to go into the profession so we can fill the classrooms that we need in the future. To sack people is nonsense. To say it is some secret document is typical of the undergraduate performance of the teachers' union newspaper.

Hon Kim Chance: It proves how secretive it is, Minister.

Hon N.F. MOORE: Yes, because nobody knows about it. I make the point in respect of my so-called psychological barrier that I appointed Mr Harken to the Hoffman committee, Rob Meecham to the State Training Board, and a unionist to Mr Tomlinson's inquiry. They are there because of their expertise, not because they represent the union. I am delighted with their contributions as individuals representing a particular point of view. Organisations will not work, as we have found too often, if people come representing a sectoral interest and cannot budge from that particular organisation's position. That has been the problem with the building construction industry training fund, a lot of the industry employment training councils and organisations set up under legislation that the last Government was very fond of setting up.

I thank the Opposition for its general support of the Bill. I propose to proceed on the basis that the persons appointed to the authority will be appointed because of their broad expertise, understanding and knowledge of education, not on the basis of who they might or might not represent.

Question put and passed.

Bill read a second time.

#### *Committee*

The Deputy Chairman of Committees (Hon W.N. Stretch) in the Chair; Hon N.F. Moore (Minister for Education) in charge of the Bill.

**Clauses 1 to 4 put and passed.**

**Clause 5: Section 6 amended -**

Hon J.A. COWDELL: I move -

Page 3, line 15 - To delete "8" and substitute "9".

We have canvassed many of the issues already that pertain to this amendment. I note the comments of the Minister about the Secondary Education Authority now determining policies and practices with respect to school certification and not conducting a broad overview of education. I presume the previous definition of "role" is still applicable, which would mean that the expertise of someone from the teachers' union would be very valuable. I refer, of course, to the functions of the authority as defined in section 12 of the Secondary Education Authority Act 1984. I am not aware that they have changed.

It would seem from the wide ranging set of functions of the authority that there is certainly a need to have the views of teachers, of members of the State School Teachers Union and of members of the Independent Schools Salaried Officers Association in line with the amendment proposed. I understand the Minister's view of taking away sectorial representation on the authority. The way it has been down-sized takes out that sectorial aspect. Ensuring there is one person from the SSTU and the ISSOA allows for a solid basis of expertise and knowledge, as required by the Minister. I do not concede that those persons who are nominated, and who happen to represent the SSTU or ISSOA, somehow lose their expertise, knowledge and ability to contribute merely because they are a representative of either of those unions. In fact, one will find that having a formal view representing two unions of 17 000 or 18 000 teachers in the State might be useful to the activities of the authority rather than its making decisions and waiting for reaction. Certainly, one vote at this level will not lead to a sectorial dominance of the authority in any way.

I notice the Minister has indicated there is flexibility under certain categories. He has given his assurance that individual parents will be involved who he says will be able to adequately represent the parental point of view and, therefore, there is no need for the Council of State School Organisations representative. I presume he is willing to indicate informally that there will be a teacher from one or both sectors; preferably both sectors.

[Quorum formed.]

Hon J.A. COWDELL: However, it is not adequate that there might be representatives of these points of view subject to ministerial discretion. I noticed the comments of the Minister that one never knows whom the SSTU represents and that some of its organisers are crazy, left wing militants; he has chosen not to talk to anyone from the union; he reads about their views in their scurrilous journal; and they are merely undergraduates. That is not an adequate assessment of the State School Teachers Union and is a somewhat coloured perspective. The House should not deny, on that basis, some assurance of representation to the bodies of teachers in this State. Going against the Vickery recommendations and merely leaving the section as it is - that is, that one person shall be appointed to represent the interests of teachers - is a slap in the face for teachers per se, not to mention a slap in the face for the State School Teachers Union of Western Australia in terms of the legislation and the Minister's comment. It is certainly a slap in the face for the Independent School Salaried Officers Association and for the WA Council of State School Organisations.

Hon N.F. MOORE: I acknowledge that my comments this evening about the teachers' union and some of its membership were a bit coloured. I suspect that colour has been brought about by the union's behaviour in the past couple of weeks. It has been quite biased about the political scenario in Western Australia. That is not why we are going down this path concerning the membership of the SSTU. I was branch president of the SSTU for 10 years. In those days the union was an organisation to which people could be proud to belong. I do not know whether people feel the same way about it these days.

Hon Mark Nevill: I do not think it gave the previous Government much comfort.

Hon N.F. MOORE: I am not saying it is always party political, but it certainly has been in the past couple of weeks. I am not precluding the SSTU from having a person on the authority - I am precluding a union representative. Nor am I precluding a parent - I am precluding a WACSSO representative. The authority should consist of people appointed for their expertise and knowledge and not because of whom they represent. Hon John Halden said that one of the problems of the SEA in the past was that people tended to be divided by sectorial interests. That is a problem when the membership is representative of particular organisations. I am not sure whether Hon John Cowdell has read his amendment very clearly. It suggests that one person should be jointly nominated by the two unions. I note with interest also that the member has not moved an amendment to include somebody from WACSSO. When he tells the world tomorrow what he has been doing tonight to look after the interests of WACSSO, he might also tell the media that he did not, however, feel a necessity to move an amendment to include that organisation as a representative body on the authority. As I said in this place when I made my speech in response to the second reading debate, I have no doubt that some of the community representation will be parents who can look at what the authority is doing from a parental point of view. The Government is not prepared to support these amendments on the basis that it wants to maintain an authority that comprises people who are appointed because of their expertise and knowledge, not because they represent a particular organisation.

#### *Division*

**Amendment put and a division called for.**

**Bells rung and the Committee divided.**

The CHAIRMAN (Hon W.N. Stretch): Before the tellers tell, I cast my vote with the Noes.

**Division resulted as follows -**

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#### *Ayes (13)*

Hon T.G. Butler  
Hon Kim Chance  
Hon J.A. Cowdell  
Hon Cheryl Davenport  
Hon N.D. Griffiths

Hon John Halden  
Hon A.J.G. MacTernan  
Hon Mark Nevill  
Hon Sam Piantadosi  
Hon Tom Stephens

Hon Bob Thomas  
Hon Doug Wenn  
Hon Tom Helm (*Teller*)

**Noes (16)**

Hon George Cash  
Hon E.J. Charlton  
Hon M.J. Criddle  
Hon B.K. Donaldson  
Hon Max Evans  
Hon Barry House

Hon P.R. Lightfoot  
Hon P.H. Lockyer  
Hon Murray Montgomery  
Hon N.F. Moore  
Hon M.D. Nixon  
Hon R.G. Pike

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

**Amendment thus negatived.**

**Hon J.A. COWDELL:** I move -

Page 3, line 29 - To add the following paragraph -

- (e) one shall be a person nominated jointly by the State School Teachers' Union of WA (Inc) and the Independent Schools Salaried Officers Association.

The arguments have been extensively canvassed; however, the Opposition wants this amendment put and voted on.

**Hon N.F. MOORE:** I repeat that the Government does not support the amendment and I ask the Chamber to oppose it.

*Division*

**Amendment put and a division called for.**

**Bells rung and the Committee divided.**

**The DEPUTY CHAIRMAN (Hon W.N. Stretch):** Before the tellers tell, I cast my vote with the Noes.

**Division resulted as follows -**

**Ayes (13)**

Hon T.G. Butler  
Hon Kim Chance  
Hon J.A. Cowdell  
Hon Cheryl Davenport  
Hon N.D. Griffiths

Hon John Halden  
Hon A.J.G. MacTierman  
Hon Mark Nevill  
Hon Sam Piantadosi  
Hon Tom Stephens

Hon Bob Thomas  
Hon Doug Wenn  
Hon Tom Helm (*Teller*)

**Noes (16)**

Hon George Cash  
Hon E.J. Charlton  
Hon M.J. Criddle  
Hon B.K. Donaldson  
Hon Max Evans  
Hon Barry House

Hon P.R. Lightfoot  
Hon P.H. Lockyer  
Hon Murray Montgomery  
Hon N.F. Moore  
Hon M.D. Nixon  
Hon R.G. Pike

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

**Amendment thus negatived.**

**Clause put and passed.**

**Clauses 6 to 14 put and passed.**

**Title put and passed.**

*Report*

**Bill reported, without amendment, and the report adopted.**

*Third Reading*

**Bill read a third time, on motion by Hon N.F. Moore (Minister for Education), and transmitted to the Assembly.**

**SPECIAL INVESTIGATION (COAL CONTRACT) BILL***Second Reading*

Debate resumed from 14 December 1993.

**HON MARK NEVILL** (Mining and Pastoral) [10.04 pm]: The Opposition supports the Special Investigation (Coal Contract) Bill, which provides for an inquiry into the 1988 coal contracts. The inquiry was recommended by the Royal Commission into Commercial Activities of Government and Other Matters. Having read the Bill today I can understand more clearly the potential benefits from having a House of Review. The Bill provides for the appointment of a special investigator to inquire into and report on any matter relating to the State Energy Commission of Western Australia's purchases of additional coal from Western Collieries in April 1988. At the same time Western Collieries was being sold by the provisional liquidators of Rothwells.

Paragraph 20.7.7 of the royal commission's report states that at the same time as negotiations for the sale of Western Collieries were taking place, SECWA was conducting negotiations with the three companies which supplied it with coal, including Western Collieries. Therefore, SECWA was dealing not only with Western Collieries, but with three companies. The royal commission's report also states in paragraph 20.7.8 that there had been considerable press and other public speculation on the nature and timing of contractual obligations to purchase coal entered into by SECWA and Western Collieries in 1989. It clearly states that it was speculation and that nothing more than that had been established. The inference to be drawn from the royal commission report is that the contractual obligations that were entered into may not have primarily been to meet the power generation needs of SECWA, but to enhance the value of Western Collieries for the purpose of increasing its sale price. Therefore, a considerable amount of money would have been made by Rothwells' liquidators. The proposed investigation should put any queries raised about the coal contracts to rest.

One of the major shortcomings of this Bill is that it does not outline the terms of reference for the investigator. Clause 4(1) states -

The Governor may appoint a person as special investigator to make inquiry as to, and report to the Governor upon, any matter relating to the coal contract -

That is the contract referred to in paragraph 20.7.9 of the royal commission's report. Clause 4(1) continues -

- that is within the scope of the terms of reference of the inquiry as specified by the Governor.

The Opposition is not aware of the terms of reference of the inquiry as specified by the Governor. It is not a good idea to authorise inquiries without knowing their parameters.

Clause 4(2) of the Bill states -

For the purposes of the inquiry and report, the special investigator has the powers of a Royal Commission . . . with such modifications as are required . . . by the special investigator.

I am not sure whether that will confer on the special investigator additional powers to those provided to a royal commission. I ask that the Minister for Health answer this question after he has read this debate. I am aware that he is attending the Health Ministers' Conference and will not be able to respond to my comments tonight.

**Hon George Cash:** I place on record that I did say that I would listen carefully and meet with the Minister tomorrow to discuss the various matters that you are raising.

**Hon MARK NEVILL:** I thank the Leader of the House for that assurance. I am concerned that when we give open-ended powers to investigators, they can be abused and we can end up with witch hunts or star chambers. Perhaps that is exaggerating a little, but the reputation of public figures can be damaged seriously without any basis when we hand out those powers to people. This Bill is unnecessary. A royal commission of one person could be appointed to investigate this matter. Will this Bill serve any purpose?

Members should take notice of the Whitewater scandal in the United States. Potential scandals such as this can be purely political vendettas draped in legal trappings. It concerns me that there is an increasing tendency to use the law as an instrument of abuse and even tyranny, rather than for justice. This House of Review should inquire into this contract, and I have no problem with that, but we should be careful about giving open-ended powers to investigators, because those powers can be easily abused. The law often presumes that right and wrong can be discovered, when in many situations there is a graduation between right and wrong. Many members of Parliament from both sides of politics have borne the brunt of the inappropriate use of the law and royal commissions. We should be wary of that. This Bill has the potential for conflict between the privileges of the royal commission or of the special investigator under this Bill and the privileges of a member of Parliament if called before that investigation. That matter needs to be looked at. There should be terms of reference in this Bill, and this House and the public should be aware of those terms of reference. The modified powers of the special investigator should be clear so that the investigation that is undertaken by that person extends natural justice to those people who are investigated.

I foreshadow that at the conclusion of the second reading debate I will move that this Bill be referred to the Standing Committee on Legislation to examine the matters that I have raised and any other matters that other members consider worthy of its attention. The Opposition supports this Bill. There should be an inquiry into these matters and they should be put to rest, as recommended by the Royal Commission into the Commercial Activities of Government and Other Matters. I question the need for this Bill, but if we do need this Bill the Legislation Committee could serve this Parliament well by examining the parameters of this Bill in regard to the powers of the special investigator and the potential for the other conflicts to which I have referred.

**HON DOUG WENN (South West) [10.16 pm]:** I support this Bill, albeit reluctantly because of the points made by Hon Mark Nevill, particularly the fact that the Bill has no terms of reference. We are all aware that because of the time constraints placed upon the royal commission, it was not able to examine fully what happened with this coal contract. It is interesting that the royal commission acknowledged that the claims made were only speculation, but because it did not have the time to take evidence and permit cross examination, it deemed it appropriate to refer this matter to another inquiry, and this Government has taken advantage of that recommendation. The only real evidence referred to in the report of the royal commission is purely circumstantial; namely, that the negotiations for the sale of Western Collieries Ltd and the purchase of additional coal occurred at the same time. Members will know also that at that time, Western Collieries was in the hands of the provisional liquidators of Rothwells.

Having been asked to speak on this subject, I did some research, and one of the best ways to research is to look at what happened in the other place. Dr Gallop put up two options. He as the Minister at the time wrote to the Ombudsman and asked him to take this issue on board. The Ombudsman advised him that if he did take on this issue, he would have to do it in private, and he did not believe that would be appropriate because the Office of Ombudsman might be accused of a whitewash or cover up if the proceedings were in private. I know we can all understand the problem that could be for the Ombudsman. Therefore, the Ombudsman's view was that it would be better to have a separate form of inquiry.

Firstly, the Ombudsman could not conduct his inquiry in public and, secondly, it would reduce the credibility of the office that he held. The member for Victoria Park accepted that notion put by the Ombudsman and looked at the second option; that is, that it should be carried out by way of a public ministerial inquiry. The Ombudsman was restricted as to the people who could have been called to appear. Further, the cooperation of the people might not have been gained, other than those at the State Energy Commission of WA, who were under the direction of the Minister. A very major restriction would have been placed on the type and number of people who could appear before the hearing.

I partially agree with this motion. I accept the point made by Hon Mark Nevill about putting through this legislation, when a royal commission could be set up very quickly

and at a time when it would be made even more convenient for the commission to call people before it. The legislation will give the people involved in SECWA - those who signed the deal - Western Collieries and all of the other people who have been caught up in this circus an opportunity to put forward their views so that the matter can be cleared up.

The member for Mitchell told me that his major problem was with the terms of reference. The response of the Attorney General in *Hansard* was - I find it intriguing that it is not in this Bill - that she was happy to show the member for Mitchell and the member for Victoria Park the terms of reference. Yet, when we refer to this Bill, we find that the terms of reference will be left up to the Government. I ask the Minister to relate this question to Hon Peter Foss, who is out of the Chamber on a pair: If the terms of reference are already set, why do we not see them in the Bill? I hope the Minister will offer us the same option as was given by the Attorney General, who has overall responsibility for the legislation, that we will be able to see those terms of reference in this House before we make a decision on the Bill. I sincerely hope that this does not turn into a witch-hunt, which it is likely to do, and that we will see those people who have been involved in this matter given the opportunity to appear before the hearing to put forward their views about what has happened. I hope that this matter is cleared up very quickly, particularly for those who were caught up in it.

This is a rather drastic way of proceeding. When we come to the Committee stage of this Bill, I will ask questions about the terms of reference and about why they are not in the Bill, given the fact that the Attorney General has made it very clear that the terms of reference have been written, which means, therefore, they should be made available to this House for perusal. Until I see the terms of reference, I reluctantly agree with the Bill.

**HON BOB THOMAS** (South West) [10.24 pm]: A number of issues need to be addressed by this special investigator. The history of this matter is that when Rothwells Ltd collapsed it owned Western Collieries Ltd. The provisional liquidator was trying to sell Western Collieries for about \$145m. There were only three offers to buy it, one of which was from Wesfarmers Ltd for \$95m. While the provisional liquidator was trying to sell Western Collieries, the State Energy Commission of Western Australia was negotiating with three other coal suppliers to increase its contracts. A document, put out ostensibly by the Liberal Party, entitled "Economic Development and Energy" made a connection between the two events and said that the increased contracts were deliberately done so that the provisional liquidator would be able to sell Western Collieries for a much higher price than would otherwise have been possible; therefore, it was a WA Inc deal designed to increase the payout to the creditors. Wesfarmers strenuously denied that, as did Western Collieries. It caused a lot of concern for many people. Many allegations were made which affected the reputation of a lot of innocent people.

Any terms of reference set up for this inquiry need to include one which looks at that document, which was written anonymously, and at the effect it has had on the careers and reputations of a lot of people. I, for one, will be looking at the progress of this inquiry to ensure that it is conducted in an open manner, not behind closed doors, and that all of those people whose reputations have been hurt by that accusation have the opportunity to put their cases and, hopefully, have their reputations resurrected. I agree with the Opposition's decision to support this Bill. Many things need to be investigated.

Debate adjourned, on motion by Hon P.R. Lightfoot.

## **POLICE AMENDMENT (GRAFFITI) BILL**

### *Committee*

The Deputy Chairman of Committees (Hon Murray Montgomery) in the Chair; Hon George Cash (Leader of the House) in charge of the Bill.

### **Clause 1: Short title -**

Hon CHERYL DAVENPORT: The Opposition supports the Bill. In clause 4 reference

is made to public property when referring to punishment. On page 3 of the Bill, reference is made to graffiti which is visible to the public. Could the Minister inform the Committee whether that covers private buildings? I am thinking about factory sites and walls that have graffiti on them.

Hon GEORGE CASH: One of the difficulties in dealing with graffiti is, firstly, defining what graffiti is. The member will notice that the Bill does not seek to define the word graffiti. It is said that there is sufficient definition available by general use of the language and, as such, it would be unwise to try to put a legal definition to it as such; common usage is sufficient for the court to interpret. It is intended that the Bill should cover public property as outlined in the Bill. However, the member will be aware that other provisions within other Acts cover the matter of private property.

The question of wilful damage which is provided in section 80 of the Act, where necessary, covers property other than that owned by the Crown. There is an opportunity not only with this amendment but also with other provisions in other Acts to take into account damage to private property.

**Clause put and passed.**

**Clauses 2 to 4 put and passed.**

**Title put and passed.**

#### *Report*

Bill reported, without amendment, and the report adopted.

#### *Third Reading*

Bill read a third time, on motion by Hon George Cash (Leader of the House), and passed.

### **PILBARA ENERGY PROJECT AGREEMENT BILL**

#### *Committee*

The Deputy Chairman of Committees (Hon Murray Montgomery) in the Chair; Hon George Cash (Leader of the House) in charge of the Bill.

#### **Clause 1: Short title -**

Hon GEORGE CASH: During debate on the second reading yesterday, Hon Mark Nevill raised a number of questions to which he sought answers. Overnight I took advice on the issues that he raised and will provide him with the answers. His first question related to gas emissions from the Port Hedland power station. Minimal waste gas emission problems normally are associated with gas fired power stations compared to other forms of electricity generation. However, it is acknowledged by the proponent and the Department of Environmental Protection that the air emissions of oxides of nitrogen and sulphur dioxide will need to be managed. Sulphur dioxide will be emitted only under unusual circumstances, such as if the supply of gas is interrupted and distillate is burned instead. Accordingly, as part of the environmental approval for the project, one of the conditions imposed by the Minister for the Environment was that the gas turbine power station site be subject to the works approval and licensing provisions of the Environmental Protection Authority Act. This will allow the Department of Environment Protection to manage both noise and gas emissions, although the siting of the power station ensures there is sufficient distance from residences not to cause problems. The agreement itself provides for a form of buffer zone around the power station site - a 3.5 km radius - which offers protection from urban encroachment. That can be noted if the member refers to plan X in the agreement. Furthermore, studies commissioned by BHP indicated that even under worst case scenarios the downwind concentration of oxides of nitrogen (NO<sub>x</sub>) and sulphur dioxide (SO<sub>2</sub>) would be able to meet EPA emission standards. The EPA's experience of the construction and operation of SECWA's Pinjar gas turbine power station will be useful in managing the Port Hedland power station. However, the works approval and licence provisions have not been issued as yet.

As to the member's inquiry about the powerhouse at Newman, the Pilbara Energy Project Agreement allows BHP the option of constructing a transmission line from Port Hedland to Newman or, should the goldfields gas pipeline project proceed, constructing a separate gas fired power station at Newman. In the case of the latter, BHP would construct a short spur pipeline off the main Pilbara-Goldfields pipeline to link with a gas fired power station at Newman. In that event, the existing diesel fired power station at Newman would not be needed and would be decommissioned. Similarly, if the transmission line were constructed between Port Hedland and Newman, there would again be no need for the existing diesel fired power station at Newman, and the existing power station would be decommissioned, although BHP would construct a backup distillate fired gas power station in its place for emergency requirements.

In response to the question asked about the Land (Titles and Traditional Usage) Act and the Native Title Act, I provide the following advice: The Pilbara Energy Project Agreement makes the development proposals for the project subject to laws relating to traditional usage. In other words, the agreement does not amend or override in any way the State's Land (Titles and Traditional Usage) Act. BHP is happy to comply with the provisions of that Act and, in fact, will shortly be submitting applications for its pipeline licence and power station site lease under the requirements of the Act. BHP can submit proposals in the meantime, but they will not be approved until the company has complied with the Land (Titles and Traditional Usage) Act, in a similar way to its compliance with the Environmental Protection Act.

In regard to the Federal Native Title Act, the position of the State is that the Act has no place in the granting of land titles, which comes under the jurisdiction of the State. Furthermore, as members will be aware, the Federal Native Title Act at present is being challenged in the High Court. Both BHP and the State see no need for the Federal Native Title Act to apply to the Pilbara energy project. On the question of delays to the project, there have been no significant delays to the Pilbara energy project caused through Government inaction or red tape. BHP proceeded on course with its engineering, technical, environmental and heritage studies throughout 1993 while negotiations were continuing on the agreement. BHP submitted its consultative environmental review to the Environmental Protection Authority in October 1993 and was given final approval by the Minister for the Environment in January this year. Although its heritage surveys are complete, it has not quite finalised clearances through the Aboriginal Cultural Materials Committee, but is expected to do so shortly. BHP's application for a pipeline licence and special lease for the power station site at Hedland will be submitted very shortly, in compliance with the Land (Titles and Traditional Usage) Act. The agreement was negotiated, drafted, approved by Cabinet, executed and introduced into Parliament within three months, following Cabinet's endorsement in September 1993 of the agreed deal with BHP.

The Mt Newman agreement simply provides for the discharge of BHP's processing obligations under this agreement once the Pilbara energy project is constructed. That was the deal that was formally approved by the former Labor Cabinet in January 1993, although it subsequently seemed to change in later announcements during the election which indicated it was prepared to discharge the companies processing obligations under all of its project agreements. The coalition Government has taken some time to get what it believes is a better deal for the State, based on the first position agreed to by the Labor Government. The new deal involved consolidating the processing obligations in the Marillana Creek agreement, Mt Goldsworthy agreement, and Meacham's Monster agreement into a new iron ore processing agreement, but at the same time setting production limits on those three projects unless they had achieved the requirement processing or the Minister was satisfied with their progress towards it.

**Clause put and passed.**

**Clauses 2 to 4 put and passed.**

**Schedule put and passed.**

**Title put and passed.**



*Report*

Bill reported, without amendment, and the report adopted.

**IRON ORE (MOUNT NEWMAN) AGREEMENT AMENDMENT BILL***Committee*

The Deputy Chairman of Committees (Hon Murray Montgomery) in the Chair; Hon George Cash (Minister for Mines) in charge of the Bill.

**Clause 1: Short title -**

Hon MARK NEVILL: I thank the Minister for the information he provided in the earlier debate. Some of the information provided actually relates to this Bill and I thank him for that information.

Hon GEORGE CASH: I thank Hon Mark Nevill for his comments.

When this Bill was debated in the second reading stage, questions were raised as to when we could expect the third Bill relating to the various agreements. Overnight I sought advice on that, although yesterday I did state during the second reading stage that I hoped it would be introduced into the Legislative Assembly later this week. I advise the Chamber that the iron ore processing agreement and consequent changes to the McCamey Monster agreement should be finalised within the next few days in time to be submitted to Parliament next week. The iron ore processing agreement consolidates the outstanding processing obligations in the three remaining project agreements into one new obligation; that is, iron ore processing projects to the value of \$400m in 1993 dollars. The agreement will have clauses in it which are designed to facilitate the construction of such a project or projects. I trust that gives the House an indication that the matter is proceeding with the utmost urgency.

**Clause put and passed.****Clauses 2 to 6 put and passed.****Title put and passed.***Report*

Bill reported, without amendment, and the report adopted.

**CENSORSHIP LAWS AMENDMENT BILL***Second Reading*

Debate resumed from 1 December 1993.

HON N.D. GRIFFITHS (East Metropolitan) [10.49 pm]: The Opposition supports this Bill. The Bill proposes to amend two pieces of legislation, the Censorship of Films Act 1947 and the Video Tapes Classification and Control Act 1987. The policy of the Bill with respect to the proposed amendments to the Censorship of Films Act 1947 is to introduce a new classification of MA. The MA film is said to be a film which is unsuitable for viewing by a person under the age of 15 years unless that person is accompanied by his or her parent or by a guardian. It is part of a national approach. However, I have a concern. I note that the Bill proposes to delete the definition "children". Children, in the Censorship of Films Act 1947 are defined to be children under the age of 16 years. This Bill suggests that the threshold now be 15 years rather than 16 years. I accept that it is part of a national approach. However, I regret the lowering of the threshold; it is a lowering of the standard. My preference would be for the national approach to return to a 16 year old threshold rather than a 15 year old threshold. Notwithstanding that, I reiterate that the Opposition supports the Bill.

The Bill also seeks to amend the Video Tapes Classification and Control Act 1987. In doing so, the concept of an MA classification is introduced. The classification is in similar terms to that in the Censorship of Films Act 1947. In fact, the matter is dealt with in clause 15 as follows -

as an "MA" video tape, where the censor is of the opinion that the video tape is unsuitable for viewing by a person under the age of 15 years unless that person is accompanied by his or her parent or guardian;

Again, we have the concept of 15 years. I have expressed my preference for 16 years. However, it is part of a national approach and so be it. The Bill purports to deal with behaviour which some would argue is caused or occurs more frequently as a result of failure of our censorship system. The Bill does not purport to rectify that behaviour. It essentially performs the function of a signpost. This year is the Year of the Family. I trust the Government is considering a raft of measures which the Opposition will have no difficulty in supporting, a raft of measures which will support family life and thus general happiness which should lead to the sort of behaviour that the Government and other Australian Governments were concerned about when they introduced this legislation which includes measures which would cause that sort of behaviour to be minimised in its occurrence.

**HON GEORGE CASH** (North Metropolitan - Leader of the House) [10.54 pm]: I listened with interest to the comments of Hon Nick Griffiths. While I was not assigned originally by the Government to handle this Bill, given the comments that he has made, we are in general agreement with the principles that are annunciated in the Bill. As I have explained already to Hon Nick Griffiths, I will relay his comments to Hon Peter Foss when I meet with him early tomorrow morning. Given the degree of consensus on this Bill I commend it to the House.

Question put and passed.

Bill read a second time.

#### *Committee and Report*

Bill passed through Committee without debate, reported without amendment, and the report adopted.

#### *Third Reading*

Bill read a third time, on motion by Hon George Cash (Leader of the House), and passed.

### **CHOICE OF LAW (LIMITATION PERIODS) BILL**

#### *Second Reading*

Debate resumed from 30 November 1993.

**HON N.D. GRIFFITHS** (East Metropolitan) [10.57 pm]: This measure also has the support of the Australian Labor Party. It is a model Bill approved by a Standing Committee of Attorneys General last year to resolve perceived difficulties arising from the High Court's decision in the case of McKain and Miller and Co which is reported in the Australian Law Reports, volume 104, at page 257. The head note of the report states among other things -

The plaintiff, a resident of New South Wales, was injured at Port Lincoln in South Australia on 22 February 1984 in the course of employment by the defendant as a marine steward on a vessel plying between South Australian ports. On 4 January 1990 he commenced proceedings for damages in the Supreme Court of New South Wales. The defendant pleaded that the claim was statute barred by virtue of s 36 of the Limitation of Actions Act 1936 (SA), which required that actions claiming damages in respect of personal injuries be commenced within three years after the cause of action accrued. Section 82(2) of the Workers Compensation Act 1971 (SA) contained a similar provision in relation to injuries for which a worker was entitled to receive compensation under that Act. The plaintiff's action was not barred by the Limitation Act 1969.

The High Court in a split decision resolved that -

The defendant was not entitled to judgment by virtue of the South Australian

provisions, since they were procedural in nature and did not extinguish the civil liability which a plaintiff might bring action to enforce.

Although he was in the minority, His Honour the Chief Justice Sir Anthony Mason, made a number of observations which I suggest have caused this legislation to be brought before the House. In particular, I refer to page 263 of the report at which His Honour said -

"It is perhaps the most inveterate doctrine of the conflict of laws that all questions of procedure in a given instance are governed by the *lex fori*, or the law of the court invoked, regardless of the law under which the substantive rights of the parties accrued.

He went on to say -

Not only is such a rule firmly rooted in precedent, it is soundly based in common sense. That the courts of the forum should apply their rules of procedure is both sensible and legitimate by reason of the judges' practical familiarity with those rules and because those rules, no doubt developed and refined over time, are designed to facilitate the process of litigation in a particular jurisdiction and to ensure that cases are heard efficiently and expeditiously. The fact that one party has chosen and the other party has submitted to a forum's jurisdiction indicates a willingness on the parties' part to litigate their cause in the courts of that forum, according to the ordinary way in which litigation in that forum is conducted.

Later on at page 266 His Honour made the observation -

Within the Australian federation, one should have thought that it would not be unduly inconvenient to apply the procedural rules of the law of the cause especially now that, in a slightly different context, there is a statutory precedent for so doing: Jurisdiction of Courts (Cross-vesting) Act 1987.

I notice that is a matter that will be dealt with later on the Notice Paper.

The Bill before the House is a short Bill. It is summarised in its own terms in clause 5. It provides that a limitation law will be regarded as part of a substantive law. The Bill, pursuant to clause 3(1), is retrospective. It is perhaps overly retrospective. The words in the Bill bear some reflection: This Act extends to a cause of action that arose before the commencement of this section but does not apply to proceedings instituted before the commencement of this section. I have a personal preference for some grandfather provisions in legislation but, notwithstanding my personal preference, members of the Australian Labor Party in this place support the Bill before the House.

**HON A.J.G. MacTIERNAN (East Metropolitan) [11.06 pm]:** I want to comment briefly on this Bill, not because I demur from the intention of the legislation, but to make a general comment about some of the statements in the second reading speech and what one often hears of people who go forum shopping. There seems to be some implication of a degree of moral turpitude in plaintiffs choosing the location in which they take their action in order to prevent themselves from being barred from action by the limitation period. We need some examination of the limitation periods in this State. I am thinking of a Western Australian case currently before the New South Wales courts precisely because of the problem of a limitation period - in my view improperly applied. I refer to the case of the plaintiffs who were students of the Christian Brothers within various Western Australian orphanages. For a range of psychological reasons it has not been possible for those men to take their action within the normal limitation period that has been set down without regard for such psychological factors. It is unfortunate that they had to choose to litigate in New South Wales and, fortunately, they will not be affected by the legislation because the proceedings have already commenced in that jurisdiction. However, I note that any further alleged victims who are not already part of the proceedings that have commenced will now be barred. Although this legislation can be supported by the Opposition, there is behind it another issue that needs to be addressed; that is, the limitation periods in place in relation to various causes of action.

Debate adjourned, on motion by Hon George Cash (Leader of the House).

## STANDING ORDERS COMMITTEE - REPORT ON VARIOUS MATTERS (No 2) MAY 1992

### *Consideration of Report*

**HON TOM HELM** (Mining and Pastoral) [11.09 pm]: I take great pleasure in speaking to this report presented in May 1992 by the Standing Orders Committee, then chaired by Hon Garry Kelly. Hon Cheryl Davenport was a member of the committee; I am not too sure who were the other members. The report reflects the practicalities of procedures in this House and how we have developed as a House of Parliament. The Opposition has not found much wrong with the report. However, I will comment mainly on paragraph 3, urgency motions.

The first paragraph relates to recommendations on changes to the Standing Committee on Legislation. Members will find that the recommended changes will fit in with how the House can best conduct its business. The second paragraph of the report is self-explanatory. It deserves very little debate.

I turn now to paragraph 3, urgency motions. This section of the report contains some matters that the House may care to consider. Although at this stage I do not propose any formal amendments to the recommendations contained in the third paragraph I would like to hear some contribution by members in regard to Standing Order No 72. The report suggests the wording for Standing Order No 72. Subparagraph (2) reads -

The terms of the motion, signed by the member, shall be provided to the President, the Leader of the Government, the Leader of the Opposition and the Leader of the National Party, not less than 2 hours before the time appointed for the House to sit on that day, and may be provided to other members as the member may think fit.

That does not exclude the mover of the motion, and allows other members to speak. During the course of an urgency motion we ask that a copy of the motion be placed on our desks while the mover moves the motion. Perhaps it may be better if we formalise that requirement, and the subparagraph reflects that. In that case, the amendment would read -

... and provided to all members before the motion is moved.

That means immediately before the motion is moved. We seek to formalise what we do now.

The Opposition is satisfied with subparagraph (3). Subparagraph (4) is different in that it leaves the President to make a decision about whether a matter is urgent. Again, that reflects our conduct in this House now. It is slightly different from the procedure in the lower House. It gives the Presiding Officer the ability to make a decision, and gives justification to the urgency of the motion. The President can make the decision, but the decision can be dissented from. Our standing orders allow that, but debate is limited on the reasons why the matter should be treated as an urgency motion. Again, we seek to formalise procedures when Presiding Officers in this Chamber listen to argument. We can argue in a civilised way the reasons why we dissent from a ruling of the Chair. That dissent does not happen very often but this recommendation will help us formalise a gentleman's agreement that we accept motions as being urgent, if a member moves a motion in that way. Some members may have doubts about that procedure but the Presiding Officer will be the final determiner, and this will allow a member to dissent from any ruling with which he does not agree.

Subparagraph (5) may be amended to read -

No member, including the member who moved the motion, may speak for more than 30 minutes and the whole debate, exclusive of a maximum 10 minute reply (if any) shall not exceed 1 hour.

Here, we seek to reach a situation where the member who moves the motion may speak for up to 30 minutes, if he desires. It will also give an opportunity for another 10 minutes' contribution by another member, if necessary. If the urgency motion is aimed at a Minister or a Government member, that person will be allowed 20 minutes to

make a contribution on the urgency motion. Most urgency motions are aimed at Government members. This amendment will allow 30 minutes for the mover of the motion, 10 minutes for the seconder, and 20 minutes for the Minister to reply, if necessary, and another 10 minutes for the mover of the motion to wind up debate. This procedure will allow one hour and 10 minutes, rather than require the suspension of standing orders. Some members may not wish to speak to the motion but this amendment will give members the opportunity to make a contribution.

This whole matter needs debate, and a contribution by all members will be welcome. Subparagraphs (6), (7) and (8) should stand as printed in the report. We may need to add a further paragraph, considering the changes to subparagraph (5). This will formalise the situation. The new subparagraph will read -

If the Minister is required to respond that Minister should be allowed 20 minutes to do so within the one hour period.

In that case, the Government will not be obliged to suspend standing orders to respond to an urgency motion. It will allow fair and open debate. However, it will constrain the mover of the motion from taking up too much time on a matter of concern to the member, and will not interfere too much with the business of the House - the orders of the day and motions on the Notice Paper.

I have outlined our position. I hope that we can treat this matter in a bipartisan or tripartisan way. I spoke to Hon Cheryl Davenport about the proposals. She was not opposed to them because she had taken part in debate at the Standing Orders Committee meetings. I hope that other members of the Standing Orders Committee will respond. This is a very good report. It has taken two years for us to consider it. We now have time to conduct a rational debate on the report and put our points of view on it. I hope that my proposals will encourage some response because the whole idea of the report is to make the business of the House more efficient, as well as to recognise the work of the Legislation Committee and perhaps to allow it to take on more responsibility on our behalf. We do not wish to amend the section of the report which deals with the Legislative Council. The recommendations should be implemented regarding debate in the House. I recommend the report.

Debate adjourned, on motion by Hon George Cash (Leader of the House).

## COMMISSION ON GOVERNMENT BILL

### *Receipt and First Reading*

Bill received from the Assembly; and, on motion by Hon George Cash (Leader of the House), read a first time.

### *Second Reading*

**HON GEORGE CASH** (North Metropolitan - Leader of the House) [11.22 pm]: I move -

That the Bill be now read a second time.

Many members will remember the Commission on Government Bill introduced by the previous Government. Although many clauses in that Bill are retained unaltered in the Bill now before the House, there are important differences between the two. The Government has focused the Commission on Government squarely on the very reason we needed a royal commission in the first place - the abuse of our system of government by previous Administrations - and on prevention of such abuse in the future. The new direction is made clear in the Bill's short title which reads -

An Act to establish a Commission to inquire into certain matters relating to public administration and relevant to the prevention of corrupt, illegal or improper conduct in the public sector.

Preventing corrupt, illegal or improper conduct by public officials, including Ministers, is what this exercise is all about. It is what the people of Western Australia want to see

happen, and what they elected this Government to do. The coalition parties consequently felt that considerable work needed to be done on the previous Bill because it missed that central point by a long way. The fact is there is little inherently wrong with the system of government in Western Australia. If we had honesty and integrity in Government during the past 10 years we would be contemplating only a few changes to the system. The almost total lack of honesty and integrity shown by previous Labor Governments has not highlighted a failure of the system as a whole but only of some of the checks and balances within it. There can be no guarantee that Western Australians will never again unwittingly elect another such Government, but we must ensure as best we can that the disgraceful conduct which characterised Labor Governments in the past decade will be very much harder to accomplish, and very much easier to expose, in the future.

The Government wants useful results from the commission which can be quickly adopted into the administrative framework of the Government sector. The royal commission, although absolutely necessary, was a very expensive exercise. It is important that we now get some positive benefits from what will inevitably require still further expenditure by Western Australian taxpayers to fund the proposed commission. For this reason, in proposed section 5 the commission will be given added authority to control its deliberations. In addition to the topics specified for inquiry, the commission may consider any matters it believes are relevant to preventing corrupt, illegal or improper conduct. This means, for example, that members of the public may make submissions to the commission asking it to add topics to the list specified in the Bill.

The original provisions requiring the commission to consult and act openly have been retained, as have the provisions associated with the Royal Commission (Custody of Records) Act. The Government disagreed with the previous Bill in terms of the very restrictive provision that the chairperson had to have "a sound knowledge of, and background in, ethics and constitutional and administrative law". The Bill now before the House widens that definition to provide that the Minister, in appointing the chairperson and other commissioners, must be satisfied that they have knowledge and experience relative to the specified matters or a majority of those matters. This will enable the maximum possible scope for persons of suitable qualifications and experience to be considered for appointment.

The commission will also be given the flexibility to determine which of the matters referred to it are integral and which are peripheral, allowing it to concentrate on areas of major importance. In proposed section 6 the commission may after due consideration decide that a specified matter listed in schedule 1, or any other matter put to it for consideration, is not relevant to preventing corrupt, illegal or improper behaviour. In such cases the commission can cease its consideration of the matter or matters concerned and devote its full attention to the issues it does consider relevant. With this approach the commission will be acting as a form of sieve, sifting out the matters which are truly relevant to its terms of reference. This will give focus to its deliberations and, I trust, ultimate value for the people of Western Australia.

The Government also considered the original Bill to be too restrictive in terms of the number of areas to be investigated by the commission. Consequently, specified matters listed in schedule 1 have been expanded to include some of the other recommendations of the royal commission. The original Bill listed 15 matters; the Bill now before the House lists 24. The additional matters include Cabinet secrecy; the Financial Administration and Audit Act; an administrative appeals tribunal; the function of the Attorney General; scrutiny of State-owned enterprises; public servants serving on boards; the Official Corruption Commission; guidelines for caretaker Governments; and constitutional laws of the State.

Mr Deputy President, you will see from this that the Commission on Government has a very big task to perform. Despite the heavy workload however, we anticipate that we will begin to see results far sooner than the expiry of the next two years allotted for its work, and the Bill provides in clause 7 that the commission may report on each topic as and when it sees fit.

In this respect the Government will not wait for the Commission on Government to report before taking whatever action is considered appropriate to deal with shortcomings we identify in the public administration of the State, including legislative action. If the commission later recommends measures which would vary or go beyond steps already taken, the Government will consider such recommendations at the time. As before, part 4 of the Bill will create a joint committee of both Houses. The committee will -

Monitor and review the commission's performance;

report to both Houses about the commission and comment on any matter it thinks should be drawn to the attention of either or both Houses;

examine the commission's report and report, in turn, to both Houses;

report back to both Houses about any matter relating to its functions that is referred to it by both Houses;

advise each House of the consideration and general nature of all contracts entered into by the commission.

Mr Deputy President, it gives me no pleasure at all to be introducing this Bill. It would have been far nicer to pretend that the Labor Government of the past decade simply never existed so we could move forward into better times without having to reflect on the improper and disgraceful conduct which dragged the proud name and reputation of Western Australia into disrepute. Regrettably the sorry legacy of the previous Government will return to visit us repeatedly during the years ahead. We have already paid heavily for these past mistakes. Getting rid of the Labor Government, the cause of the problem, has not rid our State of the problem itself. The WA Inc debacle will have to be revisited again and again as the Government deals with the fallout. In a way the Commission on Government is one example of this process of raking over the coals, but it is our hope that in this case some good will come out of the ashes of WA Inc. The Government is determined that this will be so.

I commend the Bill to the House.

Debate adjourned, on motion by Hon Tom Helm.

#### ADJOURNMENT OF THE HOUSE - ORDINARY

HON GEORGE CASH (North Metropolitan - Leader of the House) [11.30 pm]: I move -

That the House do now adjourn.

*Adjournment Debate - Commonwealth Games Tax and Third Party Insurance Surcharge*

HON MAX EVANS (North Metropolitan - Minister for Finance) [11.31 pm]: Hon Reg Davies asked me yesterday about a third party insurance surcharge and the Commonwealth Games tax in 1962. To put the record straight I will quote from *Hansard* of 25 October 1962, which was about two weeks prior to the Commonwealth Games held in Perth. Sir David Brand stated -

This is another of the measures for raising additional revenue, and is submitted for the reasons explained to members when I introduced the Budget for this financial year.

The debate continues -

Mr. Tonkin: Taxes have reached the breaking point.

That is £1. *Hansard* continues -

Mr. BRAND: The tax proposed in this Bill was first introduced in Victoria, in 1959, and was initially imposed until the 1st December, 1960. It has now been made permanent. As Victoria is one of the standard States against which this State's revenue-earning efforts are measured, it follows that our adjustment for the relative severity of taxation, calculated by the Commonwealth Grants

Commission, contains an unfavourable adjustment for third party insurance surcharge.

The reasons for introducing this surcharge in Victoria were the increasingly heavy burdens imposed on the Consolidated Revenue Fund by hospital costs associated with motorcar accidents and the cost of police supervision and control of motor traffic.

Western Australia is faced with a similar situation. The net cost of operation of hospitals has risen steeply over the last five years. This is illustrated by the contributions made from the Consolidated Revenue Fund to the Hospital Fund. In 1958-59 an amount of £3,972,000 was provided; and in the Estimates now before members a sum of £6,089,000 is required.

The Health budget today is \$1.4b. That is the increase in 32 years. Sir David continues -

During this period the number of effective motor vehicle registrations rose from 199,353 to 237,813.

Today 250 000 cars are licensed in Western Australia. The speech continues -

The increased number of motor vehicles using our roads has required more and stricter traffic control. The Government is very conscious of the need to take every possible step to reduce the incidence of accidents on our roads.

... From my remarks it will be clear to members that traffic operations impose a substantial burden on State finances and therefore action must be taken to help the Consolidated Revenue Fund to meet the costs involved. This Bill proposes that with every third party insurance policy issued, except in the case of those specifically exempted, a levy of £1 per annum will be made.

... In introducing this Bill I would emphasise that this surcharge is payable into the Consolidated Revenue Fund and in no way increases the income of the Motor Vehicle Insurance Trust.

Yesterday I told Hon Reg Davies that I did not know where the money went, whether it was a special fund or the consolidated revenue fund. It went to CRF and for that reason it was not possible to find out how much money was raised over those years.

*Hansard continues -*

Mr. W. Hegney: To what extent do you expect it to do that?

Mr. BRAND: I think it will be £100,000 in this half-year. I have forgotten the number of vehicles there are in the State but it will represent roughly £1 for each of the total vehicles, with the exception of those exempted. Therefore, we will receive well over £230,000 from this source.

That is the start of the surcharge. It had nothing to do with the Commonwealth Games except that it was introduced in Parliament two weeks before the commencement of the games.

#### *Adjournment Debate -Workplace Agreement, Minesite Spares*

HON TOM HELM (Mining and Pastoral) [11.36 pm]: I wish to expand on the matter I brought to the attention of the House during the adjournment debate last night. I mentioned a so-called workplace agreement.

Hon Derrick Tomlinson: You called it a workplace agreement, not a so-called workplace agreement.

Hon TOM HELM: Hon Derrick Tomlinson has provided us with some pearls of wisdom again, and at this time of night too! I am glad to see you are awake, comrade. The so-called workplace agreement I produced was tabled, with the assistance of Hon Derrick Tomlinson. I will quote from a document which brought the so-called workplace agreement to my attention. At the end of my contribution I will table this document. It says, in the matter of Minesite Spares of 51 Clavering Road, Bayswater -



This Company is in the business of producing and installing wear plate for mining crushing mills and haulpaks and general fabrication of mining and railway equipment.

One of the owners of the company, Gene Kosecki, is a hands-on Manager who works in the workshop at Bayswater.

The Company currently has long-term contracts with Hamersley Iron Pty Ltd and has an employee (Gene Kosecki's son) on a semi-permanent basis on-site at Paraburdoo.

The Union was contacted by Elaine Sadler over her son Stephen's employment and termination with Minesite Spares.

Stephen Salt had been with the Company for approximately five months when his employment was terminated by Gene Kosecki. On the day of the termination the Workshop Foreman, Bluey Morgan, had taken Stephen aside and asked what was wrong with him. Stephen told him he was upset about his pay rates for work he had undertaken at Paraburdoo and the proposed new Workplace Agreement which did not contain any overtime penalty rates or leave loading and just a flat rate of pay. According to Stephen, his Foreman told him that if he did not sign the Agreement he might be dismissed. The Foreman then went and saw the Company Owner, Gene Kosecki.

On Wednesday 9th March 1994 Gene Kosecki told Stephen he would have to let him go and when Stephen requested a week's pay in lieu of notice was told to f... off. He later tried to apologise to Stephen and cajole him into working out his notice, but was unsuccessful.

In the process of interviewing Stephen I found that -

- (1) He had worked a constant 40-hour week and did not receive the benefits of a 38-hour week.
- (2) He had his lunch break taken away and was required to work all day without a break and was told to grab something to eat when he could.
- (3) Based on a compulsory 40-hour week he was substantially underpaid when in the workshop at Bayswater, i.e. -

$\$200.67 \times 40\text{-hour week} = \$5.00 \text{ per hour}$

Award:

$\$192.60 \text{ for a junior 17-year old on 38-hours per week.}$

$\$192.60 \times 38 = \$5.05$

$\$5.05 \times 2 \text{ hours at } 1\text{-}1/2 = \$15.15$

Gross Award wage for 40-hour week = \$207.75.

- (4) He was not paid overtime when asked to come in before his normal hours of work.
- (5) He was not paid one week's pay in lieu of notice.

On three occasions I visited the workplace and each time received a hostile reception from the Owner, Gene Kosecki.

I interviewed the workers and confirmed that the Company did not comply with the 38-hour week, nor were the workers provided with a meal break.

I also found out -

- (a) That the Company has issued individual work contracts/workplace agreements as described by Stephen Salt. The conditions of these "contracts" were to apply from 2nd March 1994. Some of the workers had not signed these agreements but were still being paid

in accordance with them. For example, Stephen's brother Daniel, who still works there, has had his penalty rates withdrawn.

- (b) Gene Kosecki's son had threatened Daniel Salt and his brother Stephen with physical violence over their mother's "interference" in Minesite Spares employment practices.
- (c) The company had worked both Daniel and Stephen up to 18-20 hours per day when on-site at Paraburdoo (at the Company's workshop in the construction camp) and had paid them in accordance with the amount of welding wire which had been used.
- (d) The Company failed to keep proper records of the hours of work for Daniel and Stephen when they were on-site at Paraburdoo and had paid them at workshop rates.
- (e) When asked by a Union official for an extract of the wages books for Stephen Salt to clarify rates of pay, the response was to "f... off - he'd had a gutful of this and told the official to prosecute him.

I bring this to the attention of the House in the light of other matters in a document I had before me last night which contained things I did not think should go on the public record. This report should go on the public record because it demonstrates, as did the so-called workplace agreement I referred to last night, that there are instances when people are being forced to sign agreements. It is happening all the time. Perhaps it demonstrates that, contrary to popular belief on the other side of the Chamber, people do want to work. If they face a choice of unemployment or signing a contract with which they do not agree, the chances are they will sign that agreement. I am also led to believe that the only way any legal action can be taken against what I have been advised is an illegal document is for, not a union official, a policeman or somebody deputised, but the employee himself to go before the Industrial Relations Commission.

This afternoon in answer to a question to the Minister in this House representing the Minister for Labour Relations, he said he would look into the matter and we are aware that he did. However, this House should be aware that the last time someone was prosecuted for behaving in a similar manner, the fine was \$1 000. That person has achieved a form of notoriety. In fact he attended a conference last Saturday where, with the Assistant Commissioner for Industrial Relations, he advised people what to do to avoid prosecution.

I am emphasising to the House that there are instances when people, either through accident or intent, will force on workers a contract of employment which will provide substantially less than the award. Those people will not be advised of the alternatives. Perhaps, if one were being kind, one would call them ignorant of the fact that they must advise their workers of the award rates and the alternatives available to them. If they do not do that, it will illegally cause a mishmash of problems and reduce people's working conditions and hours of employment. I think it is the tip of the iceberg. As more and more small workshops carry out this practice, the worse it will become, until it blows up in our faces. I seek leave to table the document.

Leave granted. [See paper No 1207.]

**HON DERRICK TOMLINSON** (East Metropolitan) [11.45 am]: It is somewhat regrettable that Hon Tom Helm chose to pursue this matter in view of the answer given to his question this afternoon by the Leader of the House. My recollection is that the Leader of the House indicated that the matter was under investigation by the inspectorate. I think his words were that it would be inappropriate to comment further at this stage. Hon Tom Helm has been somewhat remiss in bringing it forward. I have risen because I have known Gene Kostecki for approximately 25 years. He was described by Hon Tom Helm last evening as a small contractor. He also described him tonight as a hands-on businessman in a company called Minesite Spares. Mr Kostecki is a small business man. He, his wife and partners and five employees run the business. This year, his company in its first year of operation, has a predicted turnover of \$4m.

Hon Tom Helm: At \$5 an hour; no wonder.

Hon DERRICK TOMLINSON: It has a predicted turnover in five years of \$100m, which will come from a process which Mr Kostecki developed himself in Western Australia by investing \$2m. He has orders for a high technology wear-resistant steel alloy used in machinery in mining and mineral processing. He has orders from England, Korea, the United States of America, and Thailand. He developed that process and built his factory at Bayswater with no assistance whatsoever from Government.

Hon John Halden: He has been exploiting kids; he must be a hero in your party.

Hon DERRICK TOMLINSON: Let us wait until the inspectorate comes up with an explanation of why the individual was dismissed. I refer to the so-called workplace agreement which Hon Tom Helm presented to us last night as a workplace agreement. His opening words were that it was important he advise the House of a workplace agreement. When Hon Eric Charlton, by interjection, asked some questions, Hon Tom Helm demonstrated he did not have the faintest idea of what was a workplace agreement. Hon Ross Lightfoot asked him whether the agreement was signed and Hon Tom Helm said it had not been signed; that it was a copy of one to be signed. He said he did not know how many breaches of the Workplace Agreements Act there were! If it was not signed, it was not an agreement.

Several members interjected.

Hon DERRICK TOMLINSON: When Hon Eric Charlton asked whether some people had signed it, Hon Tom Helm said he understood that someone may have signed it. The agreement was negotiated between Gene Kostecki and an employee. It was not signed, neither was it registered. If it was not signed, it would not be registered because it does not meet the basic requirements of a workplace agreement. How can it then be represented as a workplace agreement? If anything, the matter Hon Tom Helm has demonstrated is that the Workplace Agreements Act gives an assurance to the workers that did not previously exist. Until that agreement is signed as an agreement between the employer and the employee, until the Industrial Relations Commissioner is satisfied that the employee has entered that agreement voluntarily - it is a consensual agreement - and until that agreement is registered, the employee and the employer are bound by the award. That is exactly what has happened in this case.

Several members interjected.

Hon DERRICK TOMLINSON: If the member were to do a little arithmetic and work out what the employee had been paid prior to the intervention of the union he would find that that employee was being paid well and truly above the award wage.

Hon Tom Helm: Prove it.

Hon DERRICK TOMLINSON: This individual came in here last night talking a load of rubbish, misrepresenting the facts.

#### *Point of Order*

Hon TOM HELM: I ask the member to withdraw the phrase that I was misrepresenting the fact. He has not demonstrated that.

The DEPUTY PRESIDENT: There is no point of order.

#### *Debate Resumed*

Hon DERRICK TOMLINSON: In direct contravention to the suggestion of the Leader of the House, it would be inappropriate to deal with this until the matter had been dealt with by the inspectorate. Hon Tom Helm again made an unjustified accusation against a particular employer. That individual then asked me to substantiate the fact that I have just given. I suggest the honourable member read the Workplace Agreements Act.

Question put and passed.

*House adjourned at 11 50 pm*

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## QUESTIONS WITHOUT NOTICE

## MAIN ROADS DEPARTMENT - REDUNDANCIES

1052. Hon JOHN HALDEN to the Minister for Transport:

- (1) Can the Minister confirm that 300 Main Roads Department workers will be offered redundancies this week?
- (2) Is it correct that the Minister has again failed to consult with the work force about this proposal?
- (3) Is it correct that the Main Roads Department depots at Bunbury, Albany and Narrogin will be amalgamated?
- (4) What are the terms and conditions of the redundancies offered?

Hon E.J. CHARLTON replied:

(1) No.

(2)-(4)

These questions demonstrate the member's total lack of credibility when he asks questions.

## BOA FORCE (TUGBOAT) - SALVAGE PLAN

1053. Hon P.R. LIGHTFOOT to the Minister for Transport:

Could the Minister advise the House of the present position on the salvage of the tugboat *Boa Force* which sunk recently off North West Cape?

Hon E.J. CHARLTON replied:

I thank the member for his question. Following comments by Hon Tom Stephens yesterday, the marine division of the Department of Transport has advised me that a salvage plan has been in place for some time to deal with the tugboat. A barge fitted with a lifting crane is on its way to the site from Singapore and is due to arrive on Saturday or Sunday. The refloating procedure will take between six and eight days. Salvage arrangements were devised by the insurers of the vessel, who are responsible for salvage work. The Department of Transport has approved the plan. Everything is in order. As to any discharge of oil, it is all safe within the tanks on board and no residue of oil has leaked from the vessel.

## SCHOOLS - RATIONALISATION PROCESS

1054. Hon JOHN HALDEN to the Minister for Education:

- (1) Could the Minister further clarify his remarks reported in today's *The West Australian* that "If parents refuse to allow schools to close and the Government could not afford to build new schools, parents could not blame the Government"?
- (2) Whom should parents blame?
- (3) Is it the intention of the Minister to set community against community in an effort to enforce the school rationalisation process in Western Australia?

Hon N.F. MOORE replied:

(1)-(3)

I said in that article that, if school communities through their parent bodies choose not to close down schools, they must accept and the community must accept that the ability of the community to build new schools in every set of circumstances may be in some way diminished. The simple fact is that the last Government sold off two primary schools, one at Mt Melville and one at Bentley, and raised \$1.2m which is now in the school

renewal fund. That money can be used to build other educational facilities.

The point I was trying to make to the journalist was that, if we do not go through that process and no school rationalisation, amalgamation or closure takes place, there will be less money to spend on new schools. The bottom line is that the funds generated from the school rationalisation process, if any, will be spent on new schools. However, if parents choose not to go down that path, that is their decision. They would be accepting that that amount is not available in the system. That is not to say that the parents in any particular school would be blamed. They will be allowed to make the decision themselves. That is what we are all about. But the community as a whole needs to accept that, if we do not go down this path, some additional funds will not be available.

The Auditor General's report which was tabled today by Mr President states clearly what the problem is and makes some recommendations. One is that the school rationalisation process that we have put in place is a good way to go. The second is that we need to look harder at different types of school buildings to ensure that we can move bits and pieces around the system. Recently, we announced a competition among architects to design a school which can be relocatable but is not a transportable or a demountable of the type in the system now. I am talking about a school which is properly designed for relocation of parts of it from time to time as the demands change. We are doing something about that. I am pleased that the Auditor General's report has come down when it has, because it highlights the sort of problem we face, a problem that Mr Halden recognised when he brought down the school renewal document. The only problem was, as he knows, that nothing was done about his report. It sat there gathering dust and was never implemented. I have given an assurance that we will process this rationalisation scheme, and decisions will be made between now and 1995 where parents so choose.

#### **CAPITAL PUNISHMENT - MINISTER FOR LABOUR RELATIONS' COMMENTS**

1055. Hon T.G. BUTLER to the Leader of the House:

- (1) Will the Minister tell the House whether he agrees or disagrees with the statement of his ministerial colleague the Minister for Labour Relations as reported in *The West Australian* on 4 March 1994 -

It is worth executing murderers even at the risk of sending an innocent person to the gallows because the trauma of wrongful imprisonment meant they were better off dead.

- (2) Would he be prepared, like the Minister for Labour Relations, to pull the lever on a convicted murderer?

Hon GEORGE CASH replied:

- (1)-(2) Firstly, the question seeks an opinion. Secondly, it is well and truly outside the scope of my ministerial responsibilities. I am not able to correlate the Minister for Mines or Lands with the question of capital punishment. If Hon Tom Butler cares to talk to me later on, I will point out to him a newspaper article in which I am quoted on the matter.

#### **SCHOOLS - ALBANY PRIMARY *Purchase Offer; Valuation***

1056. Hon BOB THOMAS to the Minister for Education:

Some notice has been given of the question.

- (1) Is the Education Department considering an offer to buy the Albany Primary School?
- (2) If yes, who made the offer?
- (3) Was a valuation recently carried out on the school site?
- (4) Will the parents be consulted on this issue?
- (5) If yes, what form will that consultation take?

Hon N.F. MOORE replied:

- (1) No offer to buy the Albany Primary School has been made to the Education Department.
- (2) Not applicable.
- (3) No valuations have been conducted by the Education Department.
- (4) If a formal proposal is submitted to the Education Department, the school community will be advised and fully consulted. Any suggestion that the site be sold and a new school built would have to be approved by parents of students attending Albany Primary School.
- (5) The school rationalisation policy is being reviewed to take into account public submissions, which close on 18 March. The manner in which consultation will take place will be outlined in the policy which is yet to be approved.

#### SCHOOLS - ALBANY PRIMARY *Valuation*

1057. Hon BOB THOMAS to the Minister for Education:

I have a supplementary question. Will the Minister consult with his department again and establish why Mr Grant Solomon from the facilities operations branch was in Albany on Friday, 11 March ostensibly to carry out a valuation and this point was made to members of the P and C by the principal of that school?

Hon N.F. MOORE replied:

Yes.

#### MINING CONFERENCE, KALGOORLIE - NAMES OF MINING COMPANIES AND INDIVIDUALS

1058. Hon JOHN HALDEN to the Minister for Mines:

Some notice has been given of the question. Can the Minister supply the names of the mining companies and individuals invited to attend a breakfast conference organised by the Minister's office in Kalgoorlie on 10 March 1994?

Hon GEORGE CASH replied:

I thank the member for some notice of the question. The answer contains a number of names of companies and people. Rather than read each one to the House, I seek leave of the House to table the document.

[See paper No 1205.]

#### SMITH, WAYDE - POLICE INQUIRY, CLEARANCE

1059. Hon A.J.G. MacTIERNAN to the Leader of the House representing the Premier:

Some notice has been given of the question, which was first asked three months ago and we have now been notified that an answer is available for it.

- (1) Does the Premier stand by his claim on the "Sattler File" radio

program on 14 December 1993 that the member for Wanneroo was cleared by the police after a comprehensive inquiry into his activities?

- (2) How does the Premier reconcile this statement with the admission by the Minister for Police that disciplinary charges were about to be laid against the member for Wanneroo before he left the Police Force?

Hon GEORGE CASH replied:

I thank the member for some notice of this question. The Premier has provided the following reply -

(1)-(2)

I quote a letter of 22 October 1993 from the Commissioner of Police to the member for Wanneroo which contains the following points: -

The investigation involving you and persons associated with you, is complete. There has been no active investigation into this matter since about March 1991.

The investigation failed to disclose any evidence of unlawful activity as alleged against you.

The file is closed, and none of the matters was capable of being substantiated. You are, therefore, entitled to be exonerated.

#### **MINESITE SPARES - WORKPLACE AGREEMENTS**

1060. Hon TOM HELM to the Leader of the House representing the Minister for Labour Relations:

- (1) Is the Minister aware that a company by the name of Minesite Spares has asked its employees to sign a workplace agreement which does not allow the employee the alternative of staying under the current award?
- (2) If so, is he of the opinion that Minesite Spares has breached the provisions of the Workplace Agreements Act?
- (3) If so, will he be asking his department to take action?

The PRESIDENT: The second part of the question is out of order because the member is asking for an opinion.

Hon GEORGE CASH replied:

I thank the member for some notice of the question for which the Minister for Labour Relations has provided the following reply -

- (1) The Minister has recently become aware of an issue regarding workplace agreements between a company named Minesite Spares and its employees, but is not aware of the specific details at this stage.
- (2) I obviously will not be able to answer this question.
- (3) I advise that the inspectorate is investigating the matter and any further comment at this stage would be inappropriate.

#### **WA SECESSION 2001 ASSOCIATION - COMPETITION FOR YEAR 12 STUDENTS**

1061. Hon TOM HELM to the Minister for Education:

- (1) Would the Minister agree that the recent competition promoted by the WA Secession 2001 Association for year 12 students is a blatant use of Government resources for party political purposes?

- (2) If not, does the Minister agree that to demonstrate that this organisation is not following the line promoted by Premier Court during the recent by-election he will endeavour to advise organisations with an opposing view that they may sponsor a similar competition?
- (3) Will the Minister explain how and why this policy shift came about and why it was not widely advertised?

The PRESIDENT: Order! The first part of the question is again asking for an opinion of the Minister. I just wonder why members do not word their questions so that they are not seeking an opinion.

Hon TOM HELM: I am sorry, Mr President, can I repeat it? Perhaps you can advise me where it seeks an opinion. I am asking the Minister whether he agrees that the recent competition promoted by the WA Secession 2001 -

The PRESIDENT: When he is asked if he agrees, it is asking for an opinion.

Hon George Cash: Is it a fact?

Hon TOM HELM: Is it a fact, then?

Hon George Cash: We will help you with your question.

Hon TOM HELM: Is it a fact?

The PRESIDENT: If you keep quiet we will see whether he can answer.

Hon N.F. MOORE replied:

I am not aware of the so called competition and I will find out the details and advise the member accordingly.

#### *BOA FORCE (TUGBOAT) - SALVAGE PLAN*

1062. Hon TOM STEPHENS to the Minister for Transport:

- (1) Does the Minister accept that a five week delay in salvaging a tug boat laden with 230 000 litres of diesel fuel stranded off Thevenard Island represents an appropriate response time by industry to the *Boa Force* incident?
- (2) Does the salvage plan about which the Minister earlier advised the House include a proposal to scuttle the tug boat off the Pilbara coast in the vicinity of Exmouth Gulf?
- (3) What has caused the long delay in implementing the salvage plan for the stranded vessel?
- (4) Against this backdrop of a very long delay in commencing a salvage operation, will the Minister now advise his colleague, the Minister for Mines, to desist from his plans to expand the activities of the oil and gas exploration industry into areas and waters closer to the Ningaloo reef and marine park and within the boundaries of the marine park itself?

The PRESIDENT: The same thing applies. Everybody is asking for opinions.

Hon TOM STEPHENS: I very carefully did not.

The PRESIDENT: Questions (2), (3) and so on are okay, but the first one is not. It is asking the Minister whether he considers that this is an appropriate action, or words to that effect. Tell me what was said.

Hon TOM STEPHENS: I have asked the Minister to advise the House whether he accepts that a five week delay in mounting an operation is acceptable.

The PRESIDENT: The question is okay - you win.

Hon E.J. CHARLTON replied:

(1)-(4)

The basis of the question is not whether it is acceptable. It is like



everything else in life: When a situation happens such as this tug boat going down, numerous people are involved to ensure a sequence of events takes place. One is to stabilise the whole thing to ensure that leakages are not apparent; otherwise other action needs to be taken. All appropriate decisions were made in relation to this vessel, including by the insurers. A vessel cannot be interfered with while under the guidance of the insurers.

Hon Tom Helm: It is not the *Titanic*. What a load of nonsense.

Hon E.J. CHARLTON: There is nothing political about it. Why is Hon Tom Helm not keeping quiet and taking an interest in the matter? Hon Tom Stephens has been on radio making accusations. Because he is now asking whether I consider it to be an appropriate time, I am answering him by giving a sequence of events. Whether he considers that appropriate is up to him. All the people who are involved and responsible for the salvage of this vessel have taken the appropriate action, and a ship from Singapore is on its way to recover the oil. If the vessel is refloated and the distillate is removed satisfactorily, I do not suppose anybody will question the fact that it was done correctly. If something happens along the way then obviously it will be said it was not done correctly.

#### **BOA FORCE (TUGBOAT) - SALVAGE PLAN**

1063. Hon TOM STEPHENS to the Minister for Transport:

I have a supplementary question because I am still in the dark. Has the Minister read the proposed salvage plan for this vessel and does it include plans to scuttle the boat off the coast of Western Australia?

Hon E.J. CHARLTON replied:

The Department of Transport is only one of the players in all of this and it has advised me that the plan put to it has been accepted and endorsed and it is looking forward to the vessel arriving on Saturday or Sunday.

Hon Tom Stephens: Will the vessel be scuttled?

Hon E.J. CHARLTON: I do not know about that aspect of it.

#### **FISHERIES BILL - INTRODUCTION DATE**

1064. Hon DOUG WENN to the Minister for Transport representing the Minister for Fisheries:

Considering the backlash over the fisheries Green Paper, will the Bill be introduced into this House in this session?

Hon E.J. CHARLTON replied:

The Minister for Fisheries has provided the following reply -

I intend introducing a new fisheries Bill during 1994.

#### **EDUCATION AMENDMENT REGULATION No 4 - NOT USED IN SCHOOL RATIONALISATION PROGRAM**

1065. Hon JOHN HALDEN to the Minister for Education:

Will the Minister categorically assure the House that the provisions of the education amendment regulation No 4 gazetted in December 1993 will not be used in any way in the rationalisation of schools program?

Hon N.F. MOORE replied:

I assume the member is referring to the tabled regulation that he has moved to disallow. I wonder whether I am permitted to discuss that matter in view of the fact that it is now on the agenda of the House. However, I seek always to do the right thing, which is a bit different from some other members.

The PRESIDENT: It is okay because this is not a debate.

Hon N.F. MOORE: That request to suspend regulations was made to allow a more flexible use of schools. It has nothing to do with awards, school rationalisation, devolution or anything else other than an attempt by the Education Department to bring some flexibility into the way schools operate. I direct the member to the Education Act regulations. On a quiet night when he has nothing better to do, he should read them and the Act from start to finish. Then he will realise that I have a job to do, as my predecessor should have done; that is, to rewrite the Act and go to the regulations again and do something about them because they are the most restrictive, constraining group of regulations one can find. Our school system is totally constrained by legislation, whether it be the Act or the regulations.

The Federal Labor Government instituted a project called the national project on the quality of teaching and learning, made funds available, and encouraged schools around Australia to adopt more flexible learning programs. A number of schools tried them out. However, we found in Western Australia that the regulations did not allow the sort of flexibility that people thought was appropriate. Therefore, the director general put forward a proposal to this House - not some scurrilous, underhand, devious program as has been suggested by Hon John Halden - to allow him to suspend some of the Education Act regulations to enable projects in some schools to progress. These projects will be introduced at the instigation of the schools. They will work out what they would like to do and they will put forward the proposal to the Education Department. If the proposal requires some suspension of a regulation, the director general under the powers he is seeking will be able to suspend that regulation. He has given an assurance already to the Joint Standing Committee on Delegated Legislation that he will tell it every time it happens. However, the moment the project stops, the whole thing will cease and we will go back to the existing regulations.

This is a perfectly legitimate and proper attempt to bring flexibility into the education system. I understand that some Labor members think it is a good idea. However, the problem is that the State School Teachers Union, which is positively Neanderthal in its attitude to educational change - Mr Halden is paying it back for its help during the by-election - has said that it does not want flexibility in education but a constricted education system in which every decision is written in a regulation. It is preventing educational change from taking place when teachers want it. The project is about teachers, schools, and school communities initiating projects which will allow more flexibility.

Hon John Halden: It does not say that at all.

Hon N.F. MOORE: The Leader of the Opposition did not bother to listen. This is being considered by a committee of the House.

#### *Point of Order*

Hon JOHN HALDEN: I asked for a yes or no answer but five minutes later the matter is still being debated. Mr President, I accepted your ruling about my comment earlier today. All I wanted was a yes or no answer.

The PRESIDENT: Order! The member is confusing a ruling I made on a statement that he was making by leave with answers to questions. It is like comparing apples with oranges. I agree that the Minister is taking a long time to answer the question. However I do not agree that he is not answering the question. I suggest he hurry with his answer.

#### *Questions without Notice Resumed*

Hon N.F. MOORE: I intend doing that, Mr President. This is a serious issue. It has been beaten up in the media in the last couple of days by people who are seeking to cause trouble in the education system for political purposes. I am obliged, as the Minister, to put to rest those concerns because some people want to do these things in our schools and are being prevented from doing so by the likes of Mr Halden and Mr Quinn of the teachers' union who are ancient in their views on educational change and who are seeking to stop school communities from taking advantage of a progressive opportunity to provide flexibility to the way in which their schools operate which, I might add, has been instigated by their Federal colleagues.

**EDUCATION AMENDMENT REGULATION No 4 - NOT USED IN SCHOOL RATIONALISATION PROGRAM**

1066. Hon JOHN HALDEN to the Minister for Education:

I asked for a yes or no answer. I sat here for 10 minutes and still did not get an answer. Perhaps I could ask the question again.

The PRESIDENT: Order! No. We are using valuable minutes which I do not want to use because they are yours. As I keep telling members, they can ask questions but they cannot determine what the answer will be. That is the tragedy of the system. The member cannot ask the same question twice.

**SCHOOL BUSES - FORRESTDALE PRIMARY SCHOOL, CANCELLATION**

1067. Hon T.G. BUTLER to the Minister for Education:

On 2 December 1993 I asked the Minister for Education the following question -

- (1) Is it a fact that the Government will cancel the Forrestdale Primary School bus which services students in the McNeil Road area of Forrestdale, in favour of sending the students to the Willandra Primary School in Armadale in 1994?
- (2) How many students presently travel on the Forrestdale Primary School bus which services the McNeil Road area?
- (3) How many students are enrolled at the Forrestdale Primary School in 1994?
- (4) How many students are enrolled at the Willandra Primary School in 1994?
- (5) Is the Ministry placing transportable classrooms at the Willandra Primary School to meet the increased number of students in 1994?

If the answer is yes, have the costs of retaining the Forrestdale Primary School bus been balanced against the cost of a bus service to the Willandra Primary School and also the provision of portable classrooms?

The Minister was not in a position to give me an answer to the question but advised me that he would reply as soon as he was able. To date I have not received a reply to my question.

Hon N.F. MOORE replied:

I apologise for not having provided the member with an answer. I do not know why he has not been given one. However, I will check to find out why there has been such a long delay. The answer is as follows -

- (1) With the establishment of the Willandra Primary School, the students in the McNeil Road area become ineligible for a free school bus service to Forrestdale as Willandra is the nearest

appropriate school. However, the students in the McNeil Road area will be carried on the Forrestdale bus in 1994 as complementary students.

- (2) Sixty-eight, of which 17 are from the McNeil Road area.
  - (3) The school currently has an enrolment of 384 primary students plus 79 preprimary.
  - (4) The school currently has an enrolment of 242 primary students plus 25 preprimary.
  - (5) Yes, two portable classrooms have been provided to Willandra primary in 1994.
  - (6) No. Willandra will not be provided with a bus service as all students live within 4.5 km of the school. The portable classrooms being provided to Willandra will be required whether or not the 17 students from McNeil Road attend Forrestdale Primary School.
-