



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
FIRST SESSION
1997

LEGISLATIVE ASSEMBLY

Wednesday, 11 June 1997

Legislative Assembly

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THE SPEAKER (Mr Strickland) took the Chair at 11.00 am, and read prayers.

PETITION - TRANSPORT

Concessional Fares

DR GALLOP (Victoria Park - Leader of the Opposition) [11.03 am]: I present the following petition -

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

We the undersigned petitioners call on the State Government to reverse their increases in public transport fares, in particular the changes to concession fares and time constraints on transfers in that they will impact most severely on pensioners, the unemployed and other low income earners.

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

The petition bears 46 signatures and I certify that it conforms to the standing orders of the Legislative Assembly.

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

[See petition No 54.]

PETITION - RAILWAY AND FREEWAY EXTENSIONS TO ROCKINGHAM

MR McGOWAN (Rockingham) [11.04 am]: I present the following petition -

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

We, the undersigned residents of Western Australia respectfully request the Parliament of Western Australia to give consideration to:

- 1) moving the completion of the planned Rockingham railway line forward from 2015 to 2001, and running the line via Fremantle instead of Kenwick; and
- 2) extending the freeway to Rockingham.

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

The petition bears 375 signatures and I certify that it conforms to the standing orders of the Legislative Assembly.

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

[See petition No 55.]

TREASURER'S ADVANCE AUTHORIZATION BILL

Second Reading

Resumed from 15 April.

DR GALLOP (Victoria Park - Leader of the Opposition) [11.05 am]: This Bill is the same as other Bills that have come before this Parliament in recent years. It authorises the Treasurer to make certain payments and advances for authorised purposes chargeable to the Consolidated Fund or the Treasurer's Advance Account within the monetary limit available for the financial year commencing 1 July 1997. Occasions arise when the appropriations made to particular activities do not prove to be adequate or extraordinary circumstances mean that increases are required.

One section of this Bill requires some comment from the Premier and Treasurer; that is, where the Bill seeks supplementation of \$100m against the monetary limit authorised for the 1996-97 financial year. As members will be aware, we have yet to conclude the 1996-97 financial year. A similar Bill was passed last year to allow for money to be spent over and above the appropriations, but the Government has now come back to the Parliament and said that it needs more money for that purpose for this financial year. The first reason given for this request is the changed agency structure arrangements, particularly in the Transport and Contract and Management Services areas, and the second reading speech outlines the reasons for those increases.

However, other factors contributed to the proposed increase in the limit. Reference is made to overruns in Education of \$20.7m; in Police of \$10.6m; in Resources Development of \$10.5m; and in Agriculture of \$9.7m. These amounts represent not simply overruns but extraordinary overruns; in other words, they go further than the amounts allocated in a similar Bill last year. Significant overruns in those four areas have led to this extra allocation of \$100m. I take this opportunity to ask the Treasurer to give some indication of what the overruns were in 1996-97.

What were the overruns that fed off the Treasurer's Advance Authorization Bill 1996? We are dealing with only the extraordinary items outlined in the second reading speech. I am particularly concerned with the overruns that have occurred in our health system. As members will know, two years ago the Opposition claimed in this Parliament that the Health budget was not capable of meeting the demands placed on the health system. Many of the hospital boards that have their own accounts had to borrow money in order to survive the 1995-96 financial year. As a result of the controversy we raised in this Parliament, the Government announced an injection of \$80m into the health system. We have found through the debate we have heard in this Parliament and the evidence from outside that the health system continues to be under enormous pressure because of the demands placed on it. They are revealed by the difficulty hospital boards have in meeting financial obligations.

For us to pass this legislation, I would like the Treasurer to brief us on the situation in the health system and its overruns in 1996-97, and also to indicate the overruns for the whole range of government departments' expenditure that was authorised by the Treasurer's Advance Authorization Bill 1996. Now that he is in the Chamber, will the Treasurer indicate what was involved in the extraordinary increases in the budgets of Education, Police, Resources and Agriculture, which require moneys over and above those which were authorised by the 1996 Bill? Secondly, will the Treasurer indicate what areas of government expenditure required extra money throughout 1996-97? In particular, it is important that we look at the Health budget of 1996-97 as opposed to what was authorised in the Budget and whether any Treasurer's Advance authorisation money went into that sector.

Mr Court: I have the Treasury officers here and I will provide all of that information.

Dr GALLOP: That is excellent. It is important that we have that information on the Table. The Treasurer's authorisation is a very useful and convenient device to enable Parliament to authorise extraordinary expenditures. They do occur in the government system. It is much better to have some sort of parliamentary supervision of those expenditures. This is provided through the Treasurer's Advance Authorization Bill. I raise one caution with the Treasurer. On this occasion an extra \$100m has been allocated for 1996-97, for which some explanation was given in the second reading speech, but we need more. We would not want to see a continual process of drift whereby the Treasurer's Advance Authorization Bill becomes a means by which we lose discipline in our government departments.

Mr Court: We ran into a similar situation last year. The main problem this year relates to licensing funds. We are looking at increasing the amount from \$200m to \$300m. I will explain this. It seems silly that we come back each year because \$200m is not covering it. The Leader of the Opposition is quite right; it must be fully accountable to the Parliament. We are having that debate in Treasury. With a Budget in excess of \$7b we are looking at whether we should increase the amount next year by \$300m because every year we seem to be running into the same end problem for different reasons.

Dr GALLOP: I assume that other jurisdictions now have Treasurer's Advance authorisation legislation. Perhaps the Treasurer could compare their amounts to ascertain a reasonable figure. It would be better to have a figure to which we could work than to come back to the Parliament each year to increase the amount. That is important for accountability purposes. We support the Bill and ask the Treasurer in his response to address those issues I raised.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [11.15 am]: This Bill allows for unforeseen expenditure which Government might be forced to engage in during the financial year. The Bill also allows the Government to correct mistakes it has made in the preparation of its Budget. I want to deal with one area where I think such a mistake has been made; that is, the Education budget. The Government has said that the government schools' budget will have a 1 per cent real increase. The Government is patting itself on the back for that increase to the Education budget, but I argue that it will not be enough and the Education budget will be under pressure just as it was in 1996-97. It is interesting that part of this Bill, as the Leader of the Opposition has pointed out, increases the limit of unforeseen expenditure in 1996-97 by \$100m. One of the reasons that increase is needed is an overrun in the Education budget in 1996-97 of \$20.7m. Many people might say that in a budget of \$1.3b a \$20.7m overrun is not that large, but it should be compared with the size of some of the initiatives which the Government is taking in education. For example, the \$20.7m overrun is roughly equivalent to the size of the Government's program to enhance the provision of computers in schools. A \$20.7m overrun is 50 per cent bigger than the Government's commitment to expand the teaching of languages other than English. The commitment to computers and the commitment to teach languages other than English are for three years. When one looks at the budget in that light, one sees \$20.7m is quite significant. It is the equivalent of a major initiative over three years in the education system. The reason for the overrun last year is relevant to the mistake that has been made in the preparation of this year's

Education budget. The reason for the \$20.7m overrun in the 1996-97 Education budget was the need to provide for salary increases for teachers. In this year's budget an overrun will arise again for exactly the same reason; there is insufficient provision in the 1997-98 budget for teachers' salary increases.

People might say that there is a real increase in the budget and ask how I can make that statement. I want now to outline three reasons that the Education budget is under pressure. Firstly, the budget has to provide for the full year effects of previous salary increases. Secondly, the budget has to provide for increased enrolments. Thirdly, it must provide for the expansion in early childhood education. I will come to those in just a moment. I want to add a qualification to my statement that the Government was able to boast about a 1 per cent real increase in the schools' budget. That increase occurs when capital funding and recurrent funding are taken into account. If only recurrent funding is examined, the real increase is much less than 1 per cent; it is 0.65 per cent. However, that 0.65 per cent real increase in recurrent funding must provide for the three sources of budget pressure that I outlined; that is, full year effects of previous salary increases, enrolment increases, and the early childhood expansion.

Members will have heard me argue before that this budget must provide for 12 months' payment of the 7.5 per cent salary increase for teachers from 1 January this year. The previous budget had to provide for six months of that. That alone will require an increase in the salaries budget of about 3.75 per cent. The salaries budget per FTE has increased by 4.3 per cent. Therefore, a little is left over, but not nearly enough to provide for the salary increases that teachers expect in the future, particularly when one takes into account some of the other pressures on the budget.

There have been enrolment increases. This budget must provide for an extra 101 full time equivalent secondary teachers from the beginning of next year. It does not have to provide for so many primary teachers. There will be a decrease of 29.3 FTE primary teachers from the beginning of next year. Taking those two figures into account, this budget has to provide for 71.7 FTE additional teachers from the beginning of next year. The Government is also committed to an expansion of early childhood education. That will require the appointment of additional teachers from the beginning of next year. An additional 57.1 FTEs should be appointed for the four year old program from the beginning of 1998 with an additional 81.8 FTEs being appointed for the five year old program. It is clear there is considerable pressure on the budget as a result of the full year effects of salary increases, the need to cope with additional enrolments in the secondary sector, and the need to meet the Government's commitment to expand early childhood education.

The Minister for Education has argued that there is a notional 2 per cent in this budget for teachers' salary increases. I cannot find that notional 2 per cent. I do not think it exists when one takes into account the pressures on the budget that I have just outlined. It only exists if the Minister is thinking about substantial cuts in the Education portfolio, about which so far he has not been explicit. He has announced a restructure of head office and district offices in the Education Department. He has announced an initiative which he describes as local area planning. In my view those announcements will involve very significant cuts in education spending. It is the only way the Minister can argue that he has even 2 per cent in his budget for salary increases for teachers. There will be a loss of head office staff. That is not so important in itself. What is more important is the loss of the work those people do, particularly in curriculum development.

There will also be losses to local communities once the local area planning process gets under way. That process will involve the closure, amalgamation and rationalisation of schools. Communities will lose their comprehensive high school link to their communities providing the full range of education services. Instead they will be provided with a multi-campus school or they will get a middle school that will provide education only to year 10, or they will get a senior college which will provide education for years 11 and 12 and their children who go to lower school education will have to travel to another community to get the education which previously they were able to obtain within their communities. Therefore, there is a mistake in this Education budget. The Government will have to make a number of cuts to meet the pressures which will be placed on education. Beyond that, it will have to make use of the Bill which we are debating today. It will have to provide additional funding using the Treasurer's Advance authorisation for the education system. The Minister as much as confirmed that in the Estimates Committee process. When asked about how the Government would cope with pressures from teachers for wage increases, he said there would have to be supplementary funding. In other words, the Government knows it will have to increase the Education budget as a result of those wage negotiations.

The current enterprise bargaining agreement between teachers and the Government expires at the end of this year. A new agreement is due to take effect from 1 January next year. Negotiations on that new agreement are supposed to commence at the beginning of next month. The State School Teachers Union is already talking about a 15 per cent increase. I regard that as an ambit claim. However, the outcome will be larger than the Minister's notional 2 per cent, which I argue is not even provided for in the budget. These negotiations will not be easy for the Government. The industrial atmosphere has been inflamed by the Government's dogmatism on its third wave of industrial legislation, and it has been inflamed by the personality and the strategies of the Minister for Labour Relations. Negotiations will

be difficult because of that. They will be all the more difficult once the teachers' union understands there is no provision in the budget for anything like a decent salary increase for teachers. There will be a difficult period in the schools. I know the Education Department is expecting industrial action for a period. In the end, the Government will have to make use of the Treasurer's Advance authorisation to provide additional funding for the Education budget.

I will make one further point about the need for additional funding. Although the Government argues there is a real increase in government school funding, recurrent funding for student comprehensive general education will rise from \$5 107 to \$5 191. That is an increase of 1.6 per cent in recurrent funding. The inflation rate forecast in the budget papers is 2.75 per cent. On the Budget's information, recurrent funding for students is declining in real terms. That is another reason to expect that the Treasurer's Advance authorisation will be used to supplement the funding needed for the education system.

The Bill not only allows for the Government to correct its mistakes in the preparation of the Budget; it also provides for the Government to meet unforeseen expenditures such as those required when a school burns down. I am disappointed that the Minister for Education is not here again. Yesterday I asked questions about the performance of the electronic surveillance systems at schools which have recently suffered catastrophic fires.

Mr Osborne: I am disappointed he is not here, too.

Mr RIPPER: It would be useful if the Government responded to the questions I asked yesterday. Depending on which estimate one believes, the community is having to spend between \$3m and \$5m to rebuild Churchlands Senior High School following that fire. Expenditures such as that are covered by this legislation. I want to know what happened with the electronic surveillance system on the night the fire occurred at Churchlands Senior High School. Did it detect intruders, or smoke, or fire? If it did not, what will the Government do to improve the quality of these systems? Perhaps it did detect intruders or fire, but the response time of the people backing up the system was so poor that by the time help arrived the fire had well and truly taken hold.

Mr Bradshaw: You are attacking Emergency Services now.

Mr RIPPER: I am not.

Mr Bradshaw: You said the back-up time was too long.

Mr RIPPER: I will explain what I mean. People either employed by the Education Department or contracted by it are supposed to respond to the electronic surveillance system at schools. I want the Government to explain the actual arrangements. The information given to me is that five cars patrol the metropolitan area responding to alarms at schools. That is a fairly thin backup for the electronic surveillance system. If one of the cars responsible for the Churchlands area was in Joondalup, for example, the response time might have been very poor and that might have been part of the reason the fire was so catastrophic and the taxpayers must now find, presumably out of the Treasurer's Advance Authorization Bill, up to \$5m for the rebuilding of that school.

Yesterday I raised these questions, but unfortunately the Minister was not available. Unfortunately he is not available today either. I want the Government to give the public and the House some information about the performance of the electronic surveillance system and the human systems that are supposed to go into action when an electronic alarm sounds. If there are weaknesses in the systems, in future we will need to spend more money under this legislation to rebuild schools destroyed by fire.

I now turn to the question of the forward estimates - the Government's famous four year financial plan presented at the beginning of the election campaign last year. My understanding was that the plan allegedly bolstered the Government's argument that only \$326m was available over four years to meet new initiatives promised by either the Government or the Opposition in the election campaign. The credibility of the forward estimates presented in the election campaign continues to suffer. Right now we are dealing with further unexpected overruns in the 1996-97 Budget amounting to approximately \$50m, almost one-seventh of the amount the Government said was available for election commitments over four years.

It just shows the whole strategy in which the Government was involved with the presentation of those forward estimates in the election campaign. It was seeking to impose the tightest possible limits on any election commitments the Opposition might have made. It was trying to tell the public that there was no room for anything the Opposition wanted to do. It set a very low figure that was supposed to be available for new election commitments. The artificiality of all that is revealed by the fact that those opposite come into this House and seek a \$100m increase for 1996-97 expenditure under the Treasurer's Advance Authorization Bill, after specifying overruns in various departments of about \$50m. They do not seem to regard that as a very serious matter, one that is anything out of the ordinary.

If the 1996-97 Budget needs adjustments of this level, only four months after those forward estimates were presented - I use the figure of four months as being the time between now and when this Bill would have been prepared - it indicates there was not much credibility in the famous four year financial plan the Government presented at the beginning of the election campaign.

MR RIEBELING (Burrup) [11.35 am]: This Bill is clearly the result of the Government's bad management of our economy. During the debates on the budget estimates over the past month or so the Government has told this House that it is a good manager of our economy and only a small adjustment must be made to the allocations within the budget documents. This Bill seeks additional expenditure to enable the departments to operate. It includes \$20.7m for the Education Department. It may be argued that that figure represents only about 2 per cent of the department's budget, and most people would probably say that a problem that size was reasonable. An increase of \$10.6m is sought for the Police Department. Given that the budget for this department is \$398.6m, that increase of about 3 per cent does not seem too bad, and the Government could quite easily argue that is a reasonable shortfall.

However, we then come to the additional moneys sought for the Department of Resources Development, for which a total allocation of \$23.615m has been set aside in its budget this year. The Treasurer is asking us to authorise an increase of \$10.5m, an increase of 30 per cent. Essentially that means the figures in last year's budget were out by 30 per cent. Surely it is not very good management for any government department to be 30 per cent over budget at the end of the year. The same can be said about Agriculture Western Australia, with a total budget allocation this year of approximately \$99m. This legislation is seeking the approval of an additional \$9.7m, which equates to about 10 per cent of the total budget. In other words, Agriculture Western Australia has been mismanaged to the point where the figures are 10 per cent out.

In this legislation we are being asked to correct minor shortfalls in the Education Department's budget - although the percentage increase may seem small, the increase of \$20.7m for this department is not insignificant - and in that of the Police Department, for which in excess of \$10m is being sought to fix problems that have been generated over the previous 12 months. The problems highlighted in both the Department of Resources Development and Agriculture Western Australia are of concern and should be viewed very seriously by this House. Either both those departments were grossly underfunded last year, or the Government did not know the plans for those departments within that budget period.

If those departments had not been so badly managed and administered in the previous 12 months, there would not have been such a huge budget blowout. During the estimates debates we examined a number of areas of additional expenditure that were not included in the Budget. For instance, it was acknowledged that the salaries of prison officers employed by the Department of Corrective Services would increase by about 8.75 per cent. When asked whether an allocation had been made in the Budget for that, we were advised that 3.5 per cent would come from a special account controlled by the Treasurer, and the balance of 5 per cent from improvements within the prison system, and half of that would come from the sale of goods produced in the prison system. I approached the Prison Officers Union about that claim, and they fell down laughing at being expected to raise millions of dollars from the prison farms. They did not think that the targets referred to in the estimates debate were achievable and said that the department knew they were not achievable and was leading the Parliament down the garden path.

It appears, especially in the areas of resource development and agriculture, that we were sold a dummy in the last budget papers because of shortfalls in those two allocations. This Bill provides additional resources to four departments; it is confirmation that either the Government's plan has not been complied with or the Government had plans of which it did not allow this House to be aware. The Department of Resources Development has asked for an extra 30 per cent in addition to its allocation. That does not reflect good management and planning. That department has achieved less than what is being demanded of other departments. Agriculture Western Australia is an important area and just under \$100m was allocated in the Budget, yet the department has a budget shortfall of 10 per cent.

If this Bill is an indicator of the Government's prowess in economic management it is an indictment of the Government that it has not been able to manage those four departments in the way that it has continually told the public it is capable of doing. The Parliament is being asked to make up the shortfall for government departments. Ministers have allowed their departments to either overspend or put forward proposals in budgets where their estimates do not match the real costs.

This Bill will be passed, and an additional \$100m will be allocated to the Government's \$7b Budget. That may not appear to be a substantial increase; however, it is a dangerous practice to pursue, especially in today's era of government expenditure and the user pays system that is being introduced more and more into government services. We have found that increases in the cost of bus fares and services throughout the State have impacted severely on low income earners in Western Australia. For government departments, especially in the area of resources development, to state that their budgets blew out by 30 per cent last year is unacceptable. To simply pass a piece of

legislation to gloss over a \$100m error in a \$7b Budget is the wrong way to go. The Treasurer should explain in detail why an extra \$10.5m is being allocated to the resources development area. If the Treasurer's response is that the extra money is needed to promote a project which may be worth millions of dollars to the State he should clearly state why that sort of expenditure was not identified prior to the year in which it was needed.

Almost on a monthly basis the Government announces developments in my electorate with downstream processing in the iron ore and gas industries. At this time none of those projects is on the ground in my electorate. I will happily support the Treasurer if he can guarantee that the additional money is heading towards commencing at least one of those developments in my electorate. It has been a long time coming.

Mr Court: What has been a long time coming?

Mr RIEBELING: The projects that are supposed to be occurring in my area. Does the Treasurer think that projects have commenced in my area?

Mr Court: Apart from a few billion dollars in the North West Shelf, nothing much has been happening.

Mr RIEBELING: Where are those developments within the electorate of Burrup?

Mr Court: The offshore fields are not in the member's electorate. Developments are occurring. We see the expansion in the North West Shelf with the liquefied natural gas plant.

Mr RIEBELING: The expansion of the onshore facilities will occur around about the turn of the century.

Mr Court: A lot of work is being undertaken now for those developments.

Mr RIEBELING: None of the projects that the Treasurer has announced - AUSI Steel, mineralogy, and petrochemical plants - has commenced.

The SPEAKER: Order! We are dealing with the Treasurer's Advance Authorization Bill. The member for Burrup was travelling well, but he is now digressing to projects and possible projects which do not relate to the Bill.

Mr Court: I should not have interjected.

Mr RIEBELING: I am glad the Treasurer did. I would like a time frame for when the Treasurer thinks those vital projects might occur. That is the sort of information I hope the Treasurer will impart. I also hope that the Treasurer will advise us to what the extra allocation of \$9.7m to Agriculture Western Australia relates. If the money is to be allocated to purchase the fishing licences the Government wishes to remove from the system, I am interested in whether that will have a direct effect on the area in which I am vitally interested. I refer to the sustainability of the rock lobster and trawling industries in the north of this State. I hope the Treasurer will be in a position to advise the House that part of the \$9.7m which has been allocated to Agriculture Western Australia, and which represents a 10 per cent increase in its budget, will ensure the sustainability of the industries I mentioned. If that is not the case the people in the north of this State would like to know on what that money is to be spent.

The increases in taxes and charges will be an additional burden on the ordinary people of this State. This Government built its reputation on the management of the State's economy. In the two departments I have referred to there has been a 30 per cent and a 10 per cent discrepancy in the respective departments' estimated and actual figures.

MR COURT (Nedlands - Treasurer) [11.52 am]: I thank members opposite for their comments on this legislation. It appears members misunderstand the purpose of parts of this Bill. When I explain the situation members will have a better understanding of the reason for the Bill.

The member for Burrup asked whether the additional funding for the Department of Resources Development was for new projects. It is required for a stamp duty rebate to Broken Hill Proprietary Co Ltd on the Mt Goldsworthy project. The stamp duty was payable on the documentation effecting the rationalisation of project ownership under the Iron Ore (Goldsworthy-Nimngarra) Agreement Act and the Iron Ore (Mount Goldsworthy) Agreement Act. For the money to be paid out it must have the necessary approval.

A large part of the additional \$100m is being sought to meet the legal requirements under the accounting arrangements. Most of it is offset by either revenue or savings. The major part of this additional funding is associated with the licensing arrangements. The estimated revenue from licences was not achieved.

The \$73.6m sought by the Department of Transport is fully offset by revenue. The \$8.2m overrun by the Police Department is offset by revenue from the Commonwealth for the gun control program. The State paid out the money, but the money will come back into the system from the Commonwealth Government. The \$20.2m in the Department of Contract and Management Services is offset by revenue.

The Leader of the Opposition wanted a breakdown of the additional allocations to Education, Police, Resources Development, Agriculture and Health. The allocation to Education is \$6m, which was funding received from the Commonwealth. In other words, the moneys came in from the Commonwealth and have been paid out. There was a \$6m capital transfer - the money was shifted from recurrent to capital expenditure - for the computer program. An amount of \$7m was allocated to the school rationalisation program. The process followed is that the property or land is sold and the money goes to the Department of Land Administration and is then reappropriated to the Education Department. Agreement for that reappropriation is required.

Mr Ripper: That does not explain the entire \$7m overrun on Education.

Mr COURT: It explains \$19m of the \$20.7m. I cannot give the breakdown for the remaining \$1.7m.

The breakdown for Agriculture Western Australia included \$4.5m as part of a redundancy package and \$4m for commonwealth programs. Again the Commonwealth provided the revenue and it had to be reappropriated.

Most of the additional \$10.6m allocated to the Police Department was associated with the \$8.2m for the gun control program. An additional \$2.8m was required for severance payments and \$1.1m to begin the immobiliser program.

Only \$5.7m was allocated to the Health Department for the increased activity levels. It is recurrent expenditure. I go back to the previous year -

Dr Gallop: That was the \$80m injection.

Mr COURT: The Treasurer's Advance was \$200m, but it was increased to \$210m last year and \$75m of that amount was allocated to the State Government Insurance Commission to bring the third party insurance fund into a funded situation. Last year the total additional allocation to Health was \$105m.

Mr Ripper: I come back to Education. I asked questions in the Estimates Committee about the overrun in 1996-97 and the Minister said the major increase in expenditure was the result of the enterprise bargaining agreement and the CEO also said the overruns related to wage increases.

Mr COURT: The member is confusing the two areas. We are talking about how this Treasurer's Advance is made up. It includes the additional funds from the Commonwealth which had to be reappropriated. It had nothing to do with overruns, the reallocation of \$6m for the computers program or the funds associated with school rationalisation.

Mr Ripper: Are we talking about the \$20.7m that was mentioned in the second reading speech?

Mr COURT: Yes.

Mr Ripper: You are giving one explanation for it and the Minister and the CEO gave another in the Estimates Committee.

Mr COURT: I am talking about the approvals for appropriations. I cannot tell members on what the \$6m from the Commonwealth has been spent. An extra \$6m came in and it had to go out again. Similarly, with the school rationalisation program an additional \$7m has gone back to the Education Department and I do not know on what it has been spent.

Mr Ripper: It may have been sourced from those areas, but spent on salary increases.

Mr COURT: Yes. We are seeking approval for the appropriations. It is basically book transfers. Under the system the property is sold, the money goes to DOLA and comes back into the system. The Government is now offering agencies an incentive: If they sell any of their properties they can spend the proceeds within their particular agency. I am advised that one of the main overruns was because the salary increases included some additional increases. That meant that the global provisions in the Budget for those overruns had to be transferred into Education. It was largely funded from that area.

Mr Ripper: This year have you moved away from the global provision mechanism?

Mr COURT: For this year and forward areas we have allowed for an increase.

Mr Ripper: It is allegedly in the agency budgets, not in the global allocation.

Mr COURT: That increase has been built into the budgets.

Mr Ripper: Allegedly.

Mr COURT: Allegedly?

Mr Ripper: That is my view.

Mr COURT: The two main areas which contributed to the increase were the State Government Insurance Commission and Health. As I mentioned by interjection to the Leader of the Opposition, it may be appropriate that we reassess that \$200m. Either way it is important the Parliament be fully informed about what those moneys are being spent on. The concern some years back was when the Treasurer's Advance was used for some of the financial bail-outs that took place which belatedly required approval of the Parliament. I thank members for their support of the legislation.

Question put and passed.

Bill read a second time.

Third Reading

Leave granted to proceed forthwith to the third reading.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [12.02 pm]: During the second reading stage I raised questions about the performance of electronic surveillance systems at schools. I asked whether the apparently poor performance of the system at Churchlands Senior High School might be replicated in other schools leading to expenditure from this sort of fund for rebuilding schools after school fires. As the Minister for Education is not here, does the Treasurer have any information on that?

MR COURT (Nedlands - Treasurer) [12.03 pm]: As I mentioned, I cannot give the detail on actual expenditure. The Treasury people have taken that on notice and we will provide those answers.

Question put and passed.

Bill read a third time and transmitted to the Council.

REVENUE LAWS AMENDMENT (ASSESSMENT) BILL

Cognate Debate

On motion by Mr Cowan (Deputy Premier), resolved -

That leave be granted for a cognate debate for the Revenue Laws Amendment (Assessment) Bill and the Revenue Laws Amendment (Taxation) Bill and that the Revenue Laws Amendment (Assessment) Bill be the principal Bill.

Second Reading

Resumed from 29 May.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [12.05 pm]: These two Bills implement the taxation changes outlined in the Government's Budget. They also amend a number of pieces of legislation for technical, economic and avoidance reasons.

I refer first to the tax increases. I argued in the previous debate that the Government's forward estimates presented at the start of the election campaign increasingly are being revealed as lacking credibility. No mention was made of tax increases in the Government's four year financial plan. The Government argued that its election initiatives would be funded by unspecified productivity savings. By "unspecified" I mean that the savings were not specified. As I recall, an overall amount of \$362m was specified as being available for election commitments as a result of productivity dividends over four years.

The Government did not say what those productivity savings would be. It did not say how it would make the savings in the individual departments and agencies. During the election campaign it had the hide to attack the Opposition for its savings proposals. However, the Opposition's savings proposals were specified. We outlined a range of measures, put a figure next to each measure and gave the total. In that sense, the Opposition was much more accountable than the Government in explaining the sources of the expenditures proposed for its election commitments. The Government had an unspecified productivity dividend; it did not mention tax increases. It is now obvious that the Government's election commitments were intended to be funded by tax increases and these are the Bills which embody those increases.

There has been a short term gain; that is, the Government was able to skate through an election campaign without admitting which cuts it intended to make or which taxes it proposed to increase. However, the long term loss will be the Government's credibility. When it comes to the next election campaign and the Government produces its set of estimates and four year financial plan, the community will be sceptical about the figures. People will say that last

time the Government produced a set of figures but only a few months later it brought legislation into the Parliament to increase taxation.

The major increase in taxation in these two Bills is the increase in the bank account debits tax. That will raise an additional \$47m this financial year and an additional \$51m in a full financial year. This tax is levied on any account with a cheque facility. The legislation will double the tax rates that apply to accounts with cheque facilities. Many members may feel reassured by the idea that only accounts with a cheque facility will pay this tax. Many people on low incomes or pensions may not have an account with a cheque facility, and members may feel reassured that those people will escape this tax increase. However, that is only for now. The Premiers have agreed on a new regime of financial tax. They have agreed that the financial institutions duty and the bank account debits tax will be amalgamated, and that there will be a new system of ad valorem taxation as a result of that amalgamation which will apply to all accounts. Therefore, this increase in taxation on bank accounts will eventually flow to the pensioners who still have an old passbook-type account, and every time pensioners make a withdrawal they will be hit with this increased tax.

I remind the House of some of the figures: A withdrawal of less than \$100 will be taxed 30¢ instead of 15¢. A withdrawal of \$100 or more, but less than \$500, will be taxed 70¢ instead of 35¢. I emphasise that this increase in taxation will eventually hit all people with all types of bank accounts. Few people do not have a bank account, because of the requirements of social security for electronic transfer of pensions and beneficial entitlements. The only process stopping the amalgamation of financial institutions duty and bank account debits is final agreement between the States, particularly Queensland, which has a much lower taxation regime than other States, on the rate of taxation. This is an increase which, first, was not confessed to by the Government during the election campaign and, second, will have a significant effect on low income people in the medium term.

Another proposed reform to our taxation system is the broadening of the payroll tax base. This is a very interesting question because it highlights an element of hypocrisy in the Government's approach to salary packaging. In the Health Department and the Education Department the Government is encouraging people to take their remuneration in the form of packages. Yesterday I outlined some of the packages available to administrators in the Education Department. Apparently about 900 people have taken up packages, and a much larger number have signed workplace agreements and are eligible presumably to liaise with the Education Department's consulting firm to develop their own packages. Work related expenses can be paid directly by the employer instead of by the employee. Car leases, disability and income protection insurance, and child care fees can be paid directly by the employer instead of by the employee.

The packages in the Health Department are more reprehensible because at least the Education Department is required to pay fringe benefits tax. As charitable institutions, hospitals are not required to pay FBT. In the Health Department the salary packages result in a significant loss of revenue to the Commonwealth Government. It is a significant loss of income tax which is avoided. In the Education Department income tax is avoided but at least there is some retrieval for the Commonwealth Government in the form of FBT. It is interesting that on the one hand the Government is promoting salary packaging through workplace agreements in the hospitals and in the education system, thus contributing to the erosion of the Commonwealth's income tax base, but on the other hand the Government is seeking to bring salary packaging into the payroll tax base to prevent future erosion of its payroll tax collections.

I do not oppose bringing salary packaging arrangements into the payroll tax base, because there is a legitimate argument that the payroll tax base will be eroded by the increase in the proportion of people's remuneration which is made up by superannuation. The Opposition supports this part of the legislation but draws attention to the Government's hypocrisy. The Government should not be promoting salary packaging among its employees which contributes to a loss of commonwealth revenue. The Government should not be giving that sort of lead to the private sector. We think that the Commonwealth Government will eventually move against salary packaging in the same way as the State Government is moving against the exclusion of elements of salary packages from the payroll tax base. This legislation will eventually be replicated by the Commonwealth Government, and that will mean the employees who have been inveigled into salary packages for temporary short term gain will find they have lost that gain. Therefore, they will say to the State Government that their standard of living has fallen and they need a salary increase. Alternatively the employer will have to pay - in this case the employer is the State Government - and that will necessitate a budget increase for agencies undertaking salary packaging arrangements.

One of the difficulties with including salary packaging arrangements in the payroll tax base is the potential for large compliance costs to be imposed on employers. That has been a continuing argument with the commonwealth fringe benefits tax regime. Many employers have complained about the compliance costs that have been imposed by the FBT. One of the admirable aspects of the changes is that the broadening of the payroll tax base takes account of this

issue and seeks to piggy-back, to a large extent, on the commonwealth FBT regime. Therefore, the extra compliance costs imposed on employers will be contained.

Naturally there are some differences between the commonwealth and state requirements, and the legislation provides for some parts of the FBT regime not to apply to payroll tax calculations. It also provides for some additions to packaging arrangements which would not be covered by the FBT regime; for example, contributions to portable long service leave schemes, employees' share acquisition schemes and industry redundancy scheme payments. In federal law those payments are caught under the income tax regime, so they do not need to be covered by the FBT regime. In state law we must include them in the payroll tax base.

One area that concerned me was the possibility that remote area fringe benefits might be caught up in the payroll tax base. A problem already exists for mining companies in remote areas that are required to provide accommodation, food and special travel allowances to attract employees to work in difficult circumstances. Many complaints have been received from the mining industry about the discriminatory impact of the fringe benefits tax on their operations. I am pleased this legislation will exclude a range of important remote area fringe benefits from the payroll tax base because those benefits must be provided to make operations viable. The benefits are required when people must work in hot and uncomfortable climates, in many cases separated from their families and communities.

Although the broadening of the payroll tax base is being conducted in a revenue neutral context in this Budget, I am not sure that will always be the case. The two Bills provide for changes to the payroll tax thresholds and rates in order to compensate taxpayers for the inclusion of elements that have previously been excluded from the base. My understanding is that the inclusion of superannuation in the payroll tax base will increase collections by about 6.5 per cent. The inclusion of other fringe benefits will increase collections by about 1.8 per cent. There is a reduction of about 0.4 per cent because of the exemption for travel and accommodation allowances. The payroll tax base changes will increase collections by about 7.9 per cent; the changes in the thresholds and rates will reduce the collections by about 8 per cent. Nevertheless, the payroll tax revenue that will be received from the State Government this year will increase from \$682m to \$786m.

The advice given to the Opposition is that about 3 per cent of that increase has resulted from increases in employment and about 4 per cent from increases in wages. Although the Government can argue that these changes are revenue neutral, there continues to be an increase in payroll tax collection from a Government led by a Treasurer who promised before 1993 to abolish payroll tax, even when it was pointed out to him that the Hewson goods and services tax that was supposed to fund that abolition might not be available. It must always be remembered that this Treasurer made that promise. That is the sort of pointer we should take into account when we think about the credibility of the promises he makes now and the promises he will make in the future.

Payroll taxes have increased in the short term. These changes are supposed to be revenue neutral. However, in the future, the changes will result in additional tax being paid under the payroll tax system. Therefore, although it is allegedly revenue neutral now, in the medium term there will be increases in payroll tax beyond what they would have been, particularly as more and more of people's remuneration is paid to them in the form of superannuation.

The inclusion of superannuation in the payroll tax base will be a matter of some complexity. The principle of the inclusion of superannuation in certain circumstances is acknowledged in the legislation, but the precise way that contribution of superannuation to the payroll tax base is to be calculated must rely on further deliberation and the production of regulations. In certain types of superannuation schemes - for example, some public sector schemes and some unregulated schemes - employers do not make a payment directly into the scheme: They make a commitment to pay a defined benefit at a later stage and a calculation must be made as to what that final payment means for a notional contribution for the year in question.

This matter is technically complex and has the potential for controversy. Many defined benefit schemes produce different effects, in the end depending on the circumstances that occur in the employee's life. When one does not know what will happen in the future, one can make a judgment about only the average payment to an employee, rather than the particular payment that will accrue to any employee. That area will be of some interest when the regulations come out. It might be an area in which there is still some controversy as employers find out precisely what it means for the superannuation schemes in which they are involved.

There is also uncertainty about the precise treatment of travel and accommodation allowances. Travel and accommodation allowances should not be taken into account fully because in most circumstances they are a reimbursement to the employee for expenses that employee is obliged to incur as a result of his work. The Bill provides for allowances prescribed in awards to be fully excluded from the payroll tax base. There is a difficulty for the Government because it is not exactly a strong supporter of the award system and it is encouraging people to move on to workplace agreements and other salary arrangements that do not rely on awards. The question then arises: What level of travel and accommodation allowance should be excluded from the payroll tax base when it is not

covered by an award? For those non-award allowances the Government must construct a notional equivalent of an award to work out what should be and what should not be included in the payroll tax base. My understanding is that the prescribed amounts are still to be determined. The Opposition awaits the determination of those amounts with interest, as might some of our colleagues in the union movement because they might have an application for bargaining arrangements to be entered into in the future.

Many changes will be made to stamp duty as a result of this legislation. Many of those matters are complicated. One would need to be a commercial lawyer to make a proper judgment about whether the legislation will do the job.

Mr Osborne: Give up now!

Mr RIPPER: I was about to say that we have people with commercial law experience on this side of the House, and in due course we expect the member for Armadale to make -

Ms MacTiernan: Excuse me, I have had 10 minutes' preparation!

Mr RIPPER: - a lengthy, detailed and erudite contribution on some of these changes! Some of these changes are part of the ongoing battle between those who seek to collect tax and those who seek to avoid tax.

Mr Brown: Minimisation.

Mr RIPPER: The member can use whatever word he likes. I know that people involved in this area like to make subtle distinctions between tax planning, minimisation, avoidance and evasion, but the lines are fairly blurred. It is about trying not to make any larger contribution to the public purse than one is absolutely required to make. It is an unfortunate aspect of our culture that considerable effort, intelligence and professional skill is devoted to tax avoidance and evasion measures. It is also unfortunate that some of our best and brightest people seek to make money in this way at the expense of the public purposes, rather than devoting their talents to producing services and goods which people really want and need.

Naturally, the State Government must respond to those activities with the expertise available to it. That culture in which people devote so much intelligence and effort to avoiding taxation will always place the authorities behind the eight ball. It will always be the case that someone will get away with such measures because that person will be the first, or among the first, to take advantage of a loophole, for which a remedy must then be found, agreed to and passed by Parliament.

Unfortunately, sometimes the courts add to this problem, and I understand that one of the changes before us results from a court decision. Stamp duty on transfers of property has been imposed on the unencumbered value of property; that is, any encumbrance which reduces the value of the property has not been taken into account when duty is imposed. However, a court decision stated that leases which reduce the value of property are not an encumbrance. Therefore, people, particularly related parties, can engage in lease arrangements which artificially reduce the value of property and the amount of stamp duty to be paid. Once the stamp duty is paid, the lease arrangement between the parties can be cancelled and the property can revert to its full pre-transfer value. No-one loses in the arrangement except the public. Such loopholes occasionally opened up by the courts are required to be closed quickly by Parliament.

Other changes in the legislation do not relate to tax avoidance; for example, others relate to capital raising. At the moment, any company which seeks to raise capital on an overseas stock exchange runs the risk that people who trade on overseas markets will be liable to pay Western Australian stamp duty on the shares traded if the company involved is incorporated in Western Australia. That imposes some administrative difficulties. Overseas share brokers are not necessarily set up to collect stamp duty payable in Western Australia. Consequently, companies may find that they have difficulty in getting the overseas share listing they might like to achieve. I would prefer that a company raised capital, traded shares and paid duty in Western Australia. However, I understand that companies cannot obtain all the capital they wish to obtain in Western Australia and need, increasingly in a global economy, to seek capital from elsewhere. Although it could be argued that we might lose some revenue as a result of this amendment, the justification of the need to support Western Australian companies in capital raising ventures is the more important consideration.

The Opposition has been briefed about many other changes in this legislative package and by and large is happy with the information received in the briefing and is prepared to support the legislation. However, it has some criticism of the way in which this matter has been handled by the Government. The purpose of dealing with a variety of changes like this in two revenue law Bills is "to streamline Parliament's handling of changes to revenue laws". I do not mind the idea of streamlining the handling of these changes, and it is better to deal with one or two Bills rather than six or nine smaller Bills; nevertheless, the Government must give the Opposition adequate time to scrutinise the range of very complicated changes involved. This legislation was given its second reading speech less than two

weeks ago on the Thursday of a sitting week. We had a break of a week, including a public holiday, and the legislation was scheduled by the Government to come on for debate yesterday. That is not adequate time to allow for scrutiny of such Bills and for Parliament to play its role. Too much is taken on trust when the Government behaves in that way.

A convention in this place is that Bills rest on the Table for a week after the second reading speech before they are debated. This process has honoured that convention. However, very few Bills are actually brought on for debate a week after the second reading speech. On technical and complex Bills such as those before us, the Opposition should be given time to seek independent advice. On this occasion, the Opposition has not had sufficient time to do so, nor to scrutinise the legislation thoroughly.

We do not disagree with the legislation, and we are happy with and appreciate the cooperation provided by the state revenue officials who provided the briefing. However, they are, in effect, the source of the legislation and it is our role to provide a critical perspective, and that requires time to develop. The Opposition supports the Bills. Some of my colleagues will deal with the amendments in more detail.

MR BROWN (Bassendean) [12.40 pm]: I shall raise two or three matters in relation to the Bill. First, I refer to the second reading speech, wherein the Minister indicated that this Bill was brought forward to the Parliament to improve the "efficiency and equity of the state taxation regime". However, the second reading speech provides no explanation of how certain provisions will make this legislation equitable or add to its efficiency. I put to the Deputy Premier a question, the answer to which I would like placed on the record. Nothing on the record at this stage indicates how this Bill will improve the equity of existing laws. I refer, for example, to the proposal in the Bill to apply the tax arrangements to fringe benefits. Although the second reading speech and the explanatory notes accompanying the speech explain the Bill in some detail, they include no rationale for the change. I am keen for that rationale to be placed on the record. I refer particularly to the application of the payroll tax provisions to include fringe benefits. Does the Government regard that as an appropriate step to take?

Mr Cowan: Unfortunately, I am not in a position to give an answer so it appears I shall be penalised at a later stage. It would be appropriate to deal with this in Committee.

Mr BROWN: It is a significant step.

Mr Cowan: I can give a general answer that the idea was to treat all forms of remuneration equally from States to the Commonwealth. In other words, the same rules would apply in this State as apply under the Commonwealth, so that uniform rules applied across Australia on fringe benefits tax.

Mr BROWN: I appreciate the Deputy Premier may need to obtain some advice, but I am also interested in the changes in the past few years relating to salary packaging. Ten years ago salary packaging was generally available only to those who occupied senior offices in large organisations. Today, it has become much more widespread and more people, including those in middle management and lower management, are given the option of salary packaging. That might include the provision of home telephones, motor vehicles, private school fees, medical treatment, payment of hospital benefit funds and so on. Therefore, the amount paid in cash each fortnight or month might appear meagre, but the other benefits provide a total package. One can understand, therefore, the need for the State to move in this direction because the revenue base for payroll tax purposes may have been significantly eroded by the greater use of salary packaging arrangements. I would like the Government's response on the record because this legislation means that in some instances members of the Government must have moved their position substantially on this issue.

I was not a member of this place when the fringe benefits tax was introduced by the Commonwealth Government but, with the benefit of *Hansard* searches, I have read some of the comments made about it. Some harsh comments were made about the operation of the fringe benefits tax and the way in which it is applied. Therefore if one read those comments in the context in which they were made and applied them to this Bill, which is an extension of the same principle, at least some government members, perhaps not the majority, would have fought ferociously against the implementation of this Bill before the Parliament.

Mr Cowan: I do not think that is the case. Most of the opposition recorded in *Hansard*, or anywhere else, with respect to the fringe benefits tax was about the impediment that tax caused resource project developers in providing services and facilities that are not necessarily provided by the Government through the normal essential services. One must ask why you would impose a tax upon a company that, in order to attract employees to a remote and isolated region, had to provide good quality accommodation. Why should it be penalised for that? Most of the arguments were about that, and the member's colleagues have been quite vocal on that.

Mr BROWN: I agree that is one of the arguments raised. I have read the comments of members on both sides of the House, past and present. Many of them raised concerns about that issue and it was a significant point when the tax was introduced. Most people accept that they must earn a wage and pay for a house, and clearly in the

metropolitan area houses are available for purchase or rent. However, that is different from an employer in an isolated area providing an employee with rent free accommodation, when no other houses are available. There is no justification for applying a fringe benefits tax in those circumstances, so I do not take issue with that argument. That is a sound argument. However, other members were concerned that the application of the tax to employers rather than to employees had the potential to affect the viability of some companies. This legislation is an attempt to overcome the problem of salary packaging being used to avoid payroll tax, but it is not comprehensive.

Mr Cowan: It is. The principle is to ensure that people are treated equally for payroll tax purposes regardless of whether they are paid in cash, superannuation or fringe benefits.

Mr BROWN: I accept that there is an attempt to distinguish between employers and employees, but another way of avoiding payroll tax by not having an employer-employee relationship has been to establish a primary contractor-subcontractor relationship. In many cases there is no doubt that the contractual relationship is one of primary contractor and subcontractor because the subcontractor exercises a sufficient degree of autonomy to be treated as a separate business, is at arm's length from the primary contractor, and satisfies all the other tests that apply with regard to taxation. However, in many other industries, although the employees are bound to the primary contractor by a contract that purportedly recognises them as independent business people, the contract imposes all sorts of limitations; for example, they are not permitted to work for other companies, to take on private work or to use products that are not specified by the parent company.

I have been somewhat distant from many of the industries that use that type of arrangement, but four or five years ago I looked at a contract in the carpet laying industry that was purportedly a contract between a primary company and a secondary company, but in reality the secondary company was so limited in what it could do that it was hardly an independent business. Although under some technical, legal definition it was an independent business and although, because there was no employer-employee relationship, that business escaped payroll tax, workers' compensation and a range of other provisions, it was hardly a contract between two independent businesses.

Mr Cowan: You are raising a very contentious issue. My opinion about where we should draw the line is different from that of State Revenue; it is trying to protect the interests of the State, while I am trying to protect the interests of contractors and subcontractors. I would not like to comment on that, other than what I have just said, because this Bill is not my primary responsibility.

Mr BROWN: I appreciate that, and that also touches on the matter that I raised yesterday. Eventually this issue will affect not only state revenue laws but also the relationship between large and small businesses so that small businesses will not be small businesses at all. Small business people are saying to me, as I am sure they are saying to the Deputy Premier, that they are finding increasingly that they are becoming managers or employees, and some of them eventually will be pushed to the wall where they will want to be treated as managers rather than as independent business people. This provision goes some way towards providing some equity between the different contractual arrangements that apply, but it does not stretch into another area which is still potentially rife with avoidance mechanisms.

I turn now to the provision to extend the scope of payroll tax to take superannuation into account. I note from the second reading speech that the tax threshold will move from \$625 000 to \$675 000, which should ensure that no businesses that are below the threshold now will go above it. However, that does not mean that this measure will be revenue neutral. It may be revenue neutral for those small businesses that currently do not pay payroll tax because they are under the threshold, but the inclusion of superannuation and fringe benefits may lead to a substantial increase in the amount of tax that some companies will have to pay if the actual rate is not different, and I cannot find anywhere in this legislation that the rate will be different.

Mr Cowan: The rate in the dollar will be reduced.

Mr BROWN: If companies which had a payroll of \$3m and which were paying 8 or 10 per cent into superannuation for their employees, as some of the mining companies have been doing, were caught by this global rate, which I think is one-twelfth, they could be faced with a substantial increase in the amount of payroll tax that they had to pay.

Mr Cowan: The general consensus was that we would amend the threshold in order to keep it revenue neutral in year one, and we would amend the rate in the dollar in order to get as close as we could to that, but we would not give an absolute guarantee. As time goes by, your prediction will prove to be right: It will not be revenue neutral and is likely to increase payroll tax revenue to the State.

Mr BROWN: I will take up this matter in Committee, but I flag my concern about the distinction between business and personal travel. I am not sure from the second reading speech how that will be dealt with.

Sitting suspended from 1.00 to 2.00 pm

[Questions without notice taken.]

MS MacTIERNAN (Armadale) [2.35 pm]: I do not want this riveting debate to collapse without having an opportunity to contribute. I find it very odd that so many people are leaving the Chamber. In its level of general interest this Bill is second only to the Sea-Carriage Documents Act!

I first echo the comments made by the member for Belmont. It is of great concern to the Labor Party that we have not had sufficient opportunity to prepare for debate on Bills as extensive as these.

Mr Cowan: How much time do you want?

Ms MacTIERNAN: Traditionally, as the member for Belmont said, Bills such as these would be around for a number of weeks. These Bills were tabled on Thursday of the last week of sitting.

Mr Cowan: That was 29 May.

Ms MacTIERNAN: That is right; then we had Estimates Committee hearings. It is not as though we had a two week break as the Deputy Premier seems to be implying.

Mr Cowan: I am not implying that at all.

Ms MacTIERNAN: In the light of some legislation that stays on the Notice Paper for some time, legislation as extensive and detailed as this should be given more time for scrutiny. We have not been able to devote the time we would like to this legislation to assure ourselves that what we are doing to protect the State's revenue base is right, while weighing that against the impact that various aspects of this legislation may have on business or other community members.

I refer first to stamp duty, which is a particularly fascinating tax. Its name was derived from the fact that it was a tax on documents in the first 400 years of its life. It was introduced during the Hundred Years War as a temporary tax to fund that war. It was found to be a handy little tax and was never abandoned by the British Government. When Britain established a colony in this part of the world, the stamp tax came with it.

I note that the Minister responsible is leaving the Chamber, which sadly denotes the usefulness of this debate. We want to raise a number of issues, so perhaps we can look forward to intensive Committee debate!

Until the last 10 or 15 years this tax has been a tax on documents. Now, it has become a tax on transactions. Therefore, certain sorts of transactions, not simply certain sorts of documents, attract the tax. The move from a document based tax to a transaction based tax was made necessary by the extensive avoidance industry that set up around this revenue stream. Many transactions that normally would have been recorded in documents were undertaken without direct documentary reference, therefore it was necessary to move from a tax on documents to a tax on transactions, and many of the measures today are a continuation of that activity where we are nominating certain transactions and not simply certain documents as the receptor for the implementation of the tax.

We wholeheartedly support a number of measures contained in the legislation. It comes as no surprise that the measures we support, in this instance, are pro tax measures which protect the State's revenue base. The first of the four is a measure which aims to overturn an extraordinary decision by the Victorian Supreme Court which said that the value of a lease over a piece of real property could be used to deflate the value of the property: One could have a property worth \$1m, and enter into a very long term lease - say, \$1,000 a year. According to the Victorian Supreme Court that non-market price lease will become a vital factor in determining the value of the property, and when the property is transferred of course it will reduce the liability for taxation on the event of the transfer. The opportunities for avoidance as a result of that decision would be evident to even the most commercially unskilled. One could take out bogus or sham leases in order to deflate the value of property, engage in the property transfer, and then simply void the lease. Such arrangements are shams set up for avoidance, and it is proper that we move quickly to close the loophole.

The legislation provides a degree of retrospectivity. The Government made the announcement late last year and is now backdating the legislation to that announcement. That is a proper use of retrospectivity. However, during the 1980s when Labor at both state and federal level was introducing various tax reforms which likewise needed a retrospective operation from the date of the announcement of the measure, we constantly heard stereotypical bleating by the conservatives about the horrors of retrospectivity. Now, with their hands on the wheel, they realise how essential it is with certain tax measures to be able to ensure that arrangements are set in place from the date the announcement was made, otherwise the prospects for avoidance are magnified considerably.

The second provision relates to scams centred around the transfer of property via the liquidation of companies. Traditionally when a company is liquidating, in a genuine liquidation situation, the distribution of assets and liabilities

to shareholders attracts only nominal duty. The new measures will provide that these transactions will now attract a full ad valorem transfer duty - that is, based on the value of the transaction - unless it can be shown that the whole process of liquidation has not been entered as a sham or, as referred to in the industry, a fiscal nullity. The onus will be on the company liquidating and the persons receiving the assets and liabilities from the company to establish that it is a bona fide liquidation that has been entered for purely commercial reasons and not for the avoidance of transfer duty. We support that measure.

The third anti-avoidance measure relates to company takeovers. Traditionally takeovers are effected by the transfer of shares, and with that comes an obligation to pay duty on the shares transferred. Other methods have been designed to avoid the act of transferring shares and thereby the duty on the transfers. One system is a scheme whereby the ownership of the company is effectively changed by a selective reduction in capital. The scam has been around for some time, and provisions were introduced last year to close that loophole. This measure is being introduced to fine tune that legislation we saw last year. The provision relates to the act of converting ordinary shares to redeemable preference shares. Under this legislation the transaction of transferring ordinary shares to redeemable preference shares becomes itself a transaction that is dutiable, therefore it is made revenue neutral for a company which seeks to use this method of effecting a change in ownership of a company. Obviously we support that principle.

The second reading speech goes into some detail about why this will not be commercially problematic and why we will not be capturing transactions that are not set up to effect a reduction in share capital and an evasion of duty. In the limited time we have had to prepare for the legislation I am not in a position to judge whether we will be roping in bona fide transactions that we do not want to catch. I must take it on faith from the State Taxation Department that in the vast majority of cases we will not be unduly hampering ordinary commercial processes whereby one wants to change ordinary shares to redeemable preference shares. It has been well argued, and I guess we will wait and see. If business has been affected it will make submissions to the very receptive ear of government!

I have considerable concern about the next provision. This is not an anti-avoidance provision but one whereby we are extending the exemptions to the liability of taxation. It is said that many small Western Australian companies are having difficulty raising capital at home, and, therefore, they have had to go to overseas capital markets. Canada, for some reason, seems to have caught the attention of state taxation. Not surprisingly, overseas investors have indicated a greater interest in investing in Western Australian companies if those companies are listed on their local stock exchange. The story so far makes sense. However, it is considered that there is then a disadvantage because transactions of shares in Western Australian companies traded on overseas stock exchanges are treated in the same way as shares traded on the Perth Stock Exchange; that is, the transaction transfer duty must be paid. It is a modest duty, but when the volume of share sales is added, it is a reasonable source of government revenue. The proposal is that in order to facilitate this move of Western Australian companies to be listed on overseas stock exchanges, thereby facilitating capital formation in this State, the Government will dispense with that measure.

Mr Bloffwitch: You know the Government always had enormous trouble trying to collect them. There were huge problems.

Ms MacTIERNAN: I know. However, I do not know whether the Government is really looking at what the consequences of this may be. The concern will be that we will have a new version of what was called the Darwin shuffle: Transactions will be moved offshore specifically to avoid the liability for duty. A substantial percentage of Western Australian residents could list their shares on the register held in Ottawa, for example, rather than on the register held in Western Australia. That could become a substantial pattern. Not only would the State lose the duty on bona fide overseas transactions, but there would be a massive leakage offshore of what would normally be Western Australian transactions.

The supposed avoidance measures in this legislation are weak and they will not provide that protection. I am concerned about what the revenue losses to Western Australia will be from this legislation. It is not, as the second reading speech misleadingly suggests, that the revenue cost will simply be the revenue the State will lose on bona fide overseas transactions. The real potential loss relates to how much will go offshore specifically to exploit this exemption. Although in its initial concept this proposal was to apply to only two overseas stock exchanges, that number has already expanded to 10 between the time the legislation was announced and when it was introduced in this place. Presumably the list will eventually be endless.

What amount of duty is Western Australia obtaining from the transfer of shares on the Perth Stock Exchange? It would be useful to know what the State is getting from shares that might be transferred overseas, but I am even more interested in the revenue base we should be protecting. I also want to know whether this matter has been discussed with those at the Perth Stock Exchange. It seems this legislation could potentially have a considerable effect on the Stock Exchange in that many transactions would be moved offshore and that would impact on the strength and viability of our local exchange. I am interested in any comment that has been made by the Stock Exchange on this

proposal. I have concerns about other proposals in the legislation on expansion of exemption. However, given I have no time left, it would be best if we discussed those concerns in Committee.

DR CONSTABLE (Churchlands) [2.55 pm]: I will add a few comments about land tax to this debate. It is clear that land tax is a major part of both of these Bills; first, with the new tax scales in the Revenue Laws Amendment (Assessment) Bill, and, secondly, with some issues related to assessment in the Revenue Laws Amendment (Taxation) Bill. These Bills serve as a reminder that we have a complex system of state taxation. I would be one of the first to agree that a review of taxation is needed, not only in the state jurisdiction but also federally.

Mr Bloffwitch: We all agree with you on that.

Dr CONSTABLE: I thank the member for Geraldton.

Mr Ripper: Do you support a goods and services tax?

Dr CONSTABLE: I would like to see a review of all taxation so we could see whether a GST was appropriate for Australia, but I have not made up my mind whether I support a GST.

Ms MacTiernan: Review is often code for reduction for the wealthy.

Dr CONSTABLE: After the good briefing I received yesterday from members of the state revenue unit I will say that the system gets more and more complex by the year and the urgency for review is something we all should push for. Today, however, my comments will be limited to land tax, which is one aspect of these two Bills.

The most important feature of the first Bill is the introduction of a new tax scale for land tax. This is the fourth time the coalition Government has introduced a new land tax scale since 1993. The only year the State did not have a new tax scale was in 1994-95. A couple of minor changes will be brought about by the second Bill. Those changes relate to adjoining lots in the definition of a parcel of land and the increase in the time available to claim the residential exemption in the case of deceased estates. Those two changes seem eminently sensible.

I found some discrepancies between the second reading speech and the memorandum that was supplied with the legislation. Three comments in the second reading speech require highlighting. The first of those relates to the new land tax scale that will increase the land value thresholds that apply to land tax rates. Those rates will change for all but the lowest and highest value ranges. The second comment relates to taxpayers owning land with an aggregate taxable value of between \$150 000 and \$400 000 who will have a decrease in their assessment rate from 16 per cent to 7 per cent in the current year, which will mean a decrease of between \$25 and \$255 in land tax. The third is that under the new scale, 60 per cent of all taxpayers will receive either a decrease or no increase in their land tax assessments in 1997-98. I am sure those 60 per cent of people will welcome that. It seems the land tax payers in the middle range will benefit the most from the changes in the land tax scales.

The discrepancy I found when I looked at the explanatory memorandum is that it looks like all taxpayers within each property value range will pay less tax than they would pay under the existing scales. That seems to be at variance with the statement in the second reading speech. It also appears that 40 per cent of taxpayers will be paying more tax. I seek some clarification from the Treasurer about whether this will be a result of bracket creep. As land values increase, constituents will increasingly come to members of Parliament and say, "My land tax has gone up." Although decreases will occur in the scales, a large number of people will experience increases in their land tax payments in the coming year with an overall revenue collection increase of \$6m, or 3.7 per cent. In each of the past four or five years a gradual and substantial increase has occurred in the revenue collected in land tax. It is a substantial and important, although an inequitable, tax for the State.

It seems that 40 per cent of land tax payers will carry the burden of the overall increase. We have seen some tinkering with land tax scales which means that some people will experience no increase, or even a small drop in the amount paid, provided land value does not increase too much. Other people will bear the burden. This increase follows a 25 per cent increase in land tax collection over the first four years of this Government. Land tax continues to increase and burden those landowners.

Ms MacTiernan: We are one of the few countries in the western world which does not have a property or wealth tax.

Dr CONSTABLE: It is one form of wealth tax on one form of ownership.

Mr Court: Do you think we should have a property tax?

Ms MacTiernan: I am merely commenting that when you look at the probity of this tax, it should be seen in the context of not having such a tax.

Dr CONSTABLE: I will come to that matter in a moment.

In 1994-95, \$130m was collected by the State in land tax, and the estimate for the coming financial year is a collection of \$165m; therefore, the take has increased considerably. It is regarded by the Government as a very important tax in collecting revenue to provide for the needs of the State.

The second reading speech reported with some pride that this is the fourth time since this Government came to office in 1993 that it has provided land tax relief. I suppose one can dress up these matters any way one likes, but dozens of my constituents, many of them self-funded retirees who have invested in land and rental property to provide for themselves in retirement, do not think they have had much land tax relief in the past four or five years. Who has received that relief? As land values increase, people move to new bands on the scale and pay more tax. Often the values increase at a greater rate than people's ability to meet the tax burden.

The Government's first major change was to move to annual valuations as opposed to triennial valuations. This meant that tax increases were more gradual rather than increasing sharply every three years, and it apportions the pain over three years more easily. The land tax scale needs to be adjusted every year because land valuations are made every year. Without the annual land valuations, inordinate difficulties would be created for many landowners.

Some fundamental inequities can be found in the system; this needs to be repeated often. These inequities primarily cause two categories of people to suffer; namely, self-funded retirees and those who run small businesses. Firstly, this tax is selective and discriminates against people who own land, as owners of other property types do not bear the wealth tax burden. For those reasons alone, it is unfair.

In 1975 the Asprey Taxation Review Committee attempted to establish standards for judging tax systems, and the chief criteria produced were equity, simplicity and efficiency. Land tax certainly fails dismally on the first criterion of equity, and it may well fail on the other points as well.

Overall, our tax system is cumbersome, unwieldy and very difficult for average people with jobs or investments to understand - it is extremely complex. If one is to have a fair and equitable taxation system, it should be levied over the entire population; however, this tax singles out property owners. This is an ever-increasing tax as it is based on the value of land, which continues to increase.

Ms MacTiernan: On that basis, you would object to an income tax. Some people do not have an income, so we should not have an income tax.

Dr CONSTABLE: Not at all. The member will see where I am leading in a moment.

What other property is taxed on its annual increase in value? None at all. The member for Armadale spoke earlier about securities and shareholdings, which are a form of property which are not taxed on the basis of their increase in value. It is a wealth tax which applies to only one aspect of a person's wealth; therefore, it is arbitrary and unfair. I have had ongoing correspondence with the Minister for Finance for some time on land tax in response to problems my constituents face every year when they receive their land tax assessments. In a recent letter, the Minister for Finance wrote -

I also acknowledge that land tax could also be considered a wealth tax. However, it is one of a limited number of taxes available to the State Governments to fund essential services.

He claims that his justification makes the tax all right, but it is not all right as it lacks equity in imposing tax on one section of the community. The Minister's comment is a clear admission that land tax, despite its inequities, is tolerated simply because it raises money. At least the Minister recognises that it is a wealth tax, yet I do not know how any self-respecting Government could regard it as fair and worth maintaining.

Unlike most other taxes, land tax is not calculated upon the basis of, or tied to, a person's ability to pay. Land tax is based on the site value of the land and has little relevance to someone's ability to pay or the profitability of a business. Often, it is levied on the potential values of the land. Land tax has relation to neither general income levels nor income from the land itself. Therefore, a piece of land will attract tax each year even if no rental value is attached to that land; a vacant block of a land will still attract tax and it is unfair to impose tax on non-income producing land. I raised that point with the Minister for Finance, who replied -

The imposition of land tax on non-income producing properties such as vacant land and holiday homes (a potential source of income) reflects the 'capacity to pay' principle, and broadens the land tax base which enables land tax rates to be minimised.

Of course, the vacant land and holiday homes referred to are not a source of income. That statement stretches credulity and lacks logic. I ask the following question in response to the Minister's comment: Why single out land as an indication of capacity to pay? Land ownership indicates not a capacity to pay, but that someone owns a piece

of land. If someone has the wealth to purchase a boat rather than a holiday cottage or even shares in a company, tax does not apply each year on the ownership of those properties.

Mr Court: It is cheaper to pay land tax than to own a boat!

Dr CONSTABLE: That is not the point. At the point of sale people are charged capital gains, which seems a much fairer way to tax property, rather than every year even if that property is not producing income.

The other unfair aspect of land tax is that it is not assessed on the net value of the land. Someone may own land which has a mortgage and is not income producing, but they must pay tax on the value determined. For land tax purposes perhaps the Government should consider the net value rather than the gross value of the land. People who come to me year after year, often quite desperate about the increase in their land tax levies, are independent retirees. They often have spent their lives working hard. They live frugally as retirees but have invested in land for their future. They find the growing imposition of land tax very difficult to bear. Many find that after paying land tax, rates and maintenance there is little net return from those properties. Many are very angry about that situation. More than one constituent in this situation has said he might as well sell all his property, give the money to his children and go on the pension because it is a real burden to keep up with these taxes and charges.

Land tax is also well documented as a burden on many small businesses. Many small business owners feel land tax impedes the growth of their business. Many are struggling, particularly small retailers, and there is great resentment about this extra impost on them. There was an article in *The West Australian* recently about the demise of Lake Street in Northbridge, which related directly to the imposition of land tax. That has resulted in many empty buildings in Lake Street - once a vibrant part of Northbridge.

It is clear that land tax is an important tax for raising revenue. It accounts for a significant proportion of state revenue, but a review of land tax is definitely needed if it is to continue. Perhaps it could be much fairer than it is at present. The Government should consider the method of assessing the value of land, and certainly should assess land tax according to its net value rather than its gross value.

MR KOBELKE (Nollamara) [3.13 pm]: I shall restrict my comments on this Bill to the changes to be made to the Pay-roll Tax Assessment Act 1971. These amendments are intended to make the payroll tax system fairer and easier to comply with, and to protect the revenue base. I understand that the amendments do that in part, but I do not think the Treasurer is giving the full picture. In some respects it will not be fairer and it is certainly more complex. Time will tell whether these amendments will make it easier to administer the tax in all respects. I shall not comment on the proposed changes to superannuation. On the surface they seem to be in keeping with the comments by the Treasurer and changes one should support. However, superannuation is so complex that I do not understand it and, therefore, I am taking the Treasurer's comments at face value. I hope it will prove of benefit to the State and make the system fairer and easier to comply with.

I shall comment on the changes to the fringe benefits. The proposal is to include fringe benefits, as defined and valued for the purposes of the Commonwealth's fringe benefits tax, in the definition of wages for payroll tax purposes. Although reference to other benefits currently in the payroll tax legislation will be removed, it is also proposed to include an ability to prescribe benefits, which are not fringe benefits under the commonwealth legislation, into the payroll tax base.

Mr Wiese: What is the difference between the fringe benefits and superannuation? You said superannuation is too complex to comment on, but they are virtually the same thing. They are both fringe benefits.

Mr KOBELKE: When I continue I think the member will recognise that they are very different. Although there is some commonality, with these amendments they will diverge significantly. With regard to the changes to the payroll tax, the prescriptions currently envisaged are contributions by an employer to an employee share acquisition scheme; contributions by an employer on behalf of an employee to an industry redundancy fund; and contributions to a portable long service leave fund by an employer in relation to an employee. Although these benefits are not fringe benefits for the purpose of commonwealth legislation, these prescriptions will recognise that such benefits represent remuneration to an employee and, therefore, are a direct substitute for cash wages. The base of collection for payroll tax will be increased, and the notes provided by the Treasurer estimate that the increase in the base will be approximately 8 per cent. No justification is given for reaching that figure, and I presume it is an area in which there will be some difficulty obtaining a definite figure. For the purpose of the debate, I will work on an 8 per cent increase to the payroll tax base.

That will affect many companies because as a result of these changes the calculation of their payroll tax will be increased, as items not in the core wages and salaries will be taken into account. The effect will be different for various employers because in some cases the increase may be more than 8 per cent and may take their payroll above the threshold exemption figure. The Government is conscious of the fact that it must lift that threshold. We are all

aware that small businesses do not pay payroll tax; however, when their payroll exceeds a certain figure it crosses the threshold and the payroll tax becomes payable. The threshold will be increased by exactly 8 per cent, but that is not a particularly generous figure. Although these papers laud the Government for increasing the threshold exemption to \$675 000, from the \$375 000 threshold when the Government came to office in 1993, some understanding of how this threshold works makes it apparent that it is not as generous as it appears. The Government has kept up with inflation and has increased the figure a little. I am concerned that the increase in the threshold exemption from \$625 000 to \$675 000 is exactly 8 per cent. No leeway is given, and a company that finds its payroll tax liability increases by 9 or 10 per cent because of its arrangements, may be caught by the threshold even though it was not affected previously. The Government might have been a little more generous and have been aware of the potential for some employers to be caught. It must be borne in mind that the Government made a commitment at the 1993 election to abolish payroll tax altogether. Any carryover from that broken promise would provide a basis for increasing the threshold by more than 8 per cent.

Payroll tax is clearly an important tax to this State. In 1992, the member for Nedlands when in opposition gave an undertaking to abolish payroll tax in line with a deal that he had done with the then federal Leader of the Opposition, John Hewson, who as part of his Fightback package intended to levy a goods and services tax in exchange for the abolition of payroll tax. The member for Nedlands said then that he supported that fully, and we heard a lot of rhetoric about how payroll tax was inequitable. However, now that the member for Nedlands is in government, payroll tax is no longer inequitable but has become one of the most important taxes levied by this Government, to the extent that during the life of this Government there has been a major increase in payroll tax revenue. We need to have a more rational debate about payroll tax rather than run political lines which paint it as being what it is not.

Payroll tax is certainly a negative, but all taxes are unpopular and have negative aspects. An academic argued recently that all taxes are a disincentive to investment and enterprise and are, therefore, counterproductive to job creation. That argument is stronger in the case of some taxes than others, but generally taxes may be seen as a disincentive to employment. However, the argument that payroll tax is a disincentive to employment is now not nearly as strong as some of the rhetoric that was used four or five years ago.

I am concerned that the changes that the Government is proposing to the payroll tax regime are contrary to the rhetoric of this Government, and of Labor Governments in the late 1980s, about the importance of ensuring that we do not over-regulate by enacting laws which lead people to set up a range of contrivances in order to gain an advantage. That is what is being done in this legislation. This legislation is building onto a range of major distortions which are taking place within employment in this State and within commonwealth-state relations.

One example is the salary packaging that is being offered by the Health Department to employees in government hospitals. Remuneration packaging applies only to hospitals which are classified as public benevolent institutions, because they are exempt from fringe benefits tax. The State Government is promoting salary packaging in order to try to shift costs to the Commonwealth. We should try to remove those distortions. Our hospitals and health institutions should look at how they can best spend dollars on health, not at how they can set up contrivances to get more money into the health system or make the few dollars that they have go further by taking advantage of the Commonwealth. It is not a one way street. The Commonwealth is doing the same to the State. It is getting the State to pick up extra costs which the Commonwealth can then use to reduce its financial contribution to particular services for which it has some responsibility.

There has been some debate this week about education. The Commonwealth is quite happy to try to push a greater percentage of students into non-government schools and to tell the States that because that will give them a financial advantage, it will take back funds that it would normally give to the States for education. That silly tit for tat game takes the minds of public policy makers and of government Ministers away from the main game, which in the area to which I am alluding is health; a similar argument could be run in a range of other areas. Health institutions are putting a huge amount of time and effort into setting up contrivances to enable them to get more dollars into health when they should be looking at how they can best spend the dollars that they have. The Public Service has major problems in areas such as health, education and the police, and the full attention of Ministers and senior public servants is required to address those issues and ensure that money is spent in the best way, rather than get caught up in this financial jiggery-pokery.

I turn now to salary packaging and why it is important to extend this legislation to taxpayers; and the member for Wagin may see the distinction that emerges from the superannuation area. As a result of salary packaging, public servants in the health area receive a lower salary and, therefore, pay a smaller amount of tax to the Commonwealth, but receive a range of benefits which maximise their effective salary. One of those benefits is membership fees and subscriptions to professional associations. That would be a fairly minor item for many people, and might be regarded as work related. Another benefit is home office expenses. Many people will be aware, as we approach the end of the financial year, that those expenses can be claimed as a tax deduction if there is a connection between the home

office and their employment. However, professionals who are working in hospitals such as Royal Perth, Fremantle and Sir Charles Gairdner can have those expenses, and expenses such as home electricity, paid for by their employer. That is a rort, because most other people cannot have their employer pay those expenses in order to reduce their taxable income under commonwealth legislation.

Mr Wiese: Of course they can.

Mr KOBELKE: That is not the case for PAYE employees.

Mr Wiese: The problem is that there is no benefit for those employees, but nothing can stop them from doing it. We are talking about legislation that will affect every person who is running a business in Western Australia, and you are using a tiny Public Service department to justify the case that you are trying to make.

Mr KOBELKE: The member for Wagin may find that it is more than a tiny Public Service department.

Mr Wiese: A large Public Service department.

Mr KOBELKE: The member is correct in saying that it extends beyond the Public Service. The member would also be aware that the Commonwealth will not allow this to continue. When the Commonwealth finds that these measures are eroding its revenue base, it will retaliate, and we will get into a silly tit for tat game between the State and the Commonwealth about how we should structure things.

Mr Wiese: That is why we have a fringe benefits tax. It is a real disincentive for people in non-metropolitan Western Australia.

Mr KOBELKE: I do not disagree; the member for Pilbara has argued that long and hard, and we have taken that argument to Canberra.

Other matters that are included in the salary packaging arrangements are self-education expenses, child care fees, contributions to private superannuation funds and lease of a motor vehicle for private use. Many people in the private sector receive a salary package, but that is now being offered to public servants as well. Home mortgage payments are now being hived off so that tax is not paid, but they are remuneration. This amendment will ensure that that is caught within the base for the calculation of payroll tax. We are certainly right in saying that that tax should not be forgone by the State. However, we are simply putting in place a more complex state structure when I believe we should be working with the Commonwealth to try to remove the contrivances that open the way for such rorts.

Reference is also made to school fees, including higher education contribution scheme payments, work related travel expenses and trauma life insurance premiums. Government departments and agencies are now saying that a whole range of payments can be moved from a person's standard salary to a salary package to reduce taxation. As a result, the Government has not addressed the fundamental issue but said that if salary packaging is being offered - it is happening in the private sector - it must cover its tax base. As I said earlier, the Government is seeking to ensure that it protects its revenue base. It must do that, but I am not sure it is going about it the right way.

We must give much greater attention to commonwealth-state financial relations. That is difficult, particularly for Federal Governments. It was the last Labor Government, when Carmen Lawrence was Premier, that set about doing something constructive in this area. The then Prime Minister, Bob Hawke, was willing to take on the issue. Unfortunately, as a result of leadership issues, we found that it was to Paul Keating's advantage to oppose those moves; the whole matter was derailed in the leadership struggle. It must be put back on the rails; we do not want the glib statements we hear from all Premiers from time to time. If we look to improving commonwealth-state financial relations, this sort of legislation can then address the fundamental issues rather than play with a range of contrivances, and that is clearly what it is doing.

As I said, the Commonwealth is likely to take action in relation to public benevolent institutions, and that could be a great cost to those institutions. If we cannot find an arrangement whereby the Commonwealth's revenue base through PAYE tax is secured, those bodies might lose all their rights as public benevolent institutions in relation to tax exemptions, and that will have greater consequences for our public hospitals. While we look at how the game is being played now, we are missing the bigger picture, and that will result in more problems. We are not addressing the fundamental issues but simply trying to patch the holes in the dam.

Prime Minister Hawke looked at commonwealth-state financial relations in 1991 and one of the key issues that arose was accountability. If we want Governments to spend their money as effectively and efficiently as possible, we must set up a structure whereby they are totally responsible for portfolio or interest areas. We do not want the Commonwealth and the States as joint players. We must also try to come to an arrangement whereby the tax base for the States is comparable to their expenditure. We cannot have this ridiculous situation where the Commonwealth plays the minor part in relation to expenditure and the major part in relation to taxing, which leads to the States being

beholden to the Commonwealth. Whichever party is in power in Canberra, that will be the sticking point; Commonwealth Governments will find it very difficult to give up to the States the control it has over them because of its larger taxing power and its ability then to disburse funds and place all sorts of conditions on them. The Commonwealth can be seen implementing policies in areas where it has little or no responsibility.

We saw that again last week, with Prime Minister Howard offering money for policing. Obviously we all want money for policing, but the Commonwealth was indulging in a public relations exercise - the amount involved was minuscule - instead of sitting down with the States and looking at what they want and achieving better coordination and assistance in that way. We should consider a whole range of issues rather than simply pass bandaid legislation.

As I said earlier, no-one likes taxes; we would all rather pay less. In fact, those of us who are not very pragmatic wish we did not pay taxes at all. We all need government services, and the quality of life in this State and this nation depends on the quality of those services. While from time to time trends and fashions emerge that lead to a larger shift into private or public provision of those services, they must be paid for. If members think those services can be provided on a user pays basis, they are not being practical. We must have a tax base in order to provide the services the public requires.

Payroll tax is essential to the States under the current regime. I would like to see a major shift in the commonwealth-state relationship, and that may open up totally different tax bases, but for the moment that is a dream.

In the current circumstances, no State will forgo payroll tax. We must recognise that payroll tax is not all bad when compared to other forms of taxation. We regularly see figures indicating the major economic growth rates in Western Australia. We see that the gross state product has grown by a certain percentage. That is often driven by certain sectors of our economy. Perhaps because of major activity in the resources sector, that area is overemphasised in the figures reflecting total economic activity in Western Australia. That sector is very capital intensive and it does not create many jobs in this State. Although it is very important to this State, that sector overemphasises growth in the economy and therefore the tax base available to the State Government. The tax base does not increase in any commensurate way with the overall increase in economic activity. Payroll tax is more closely attuned to the level of economic activity because it is based on jobs. If major growth in jobs occurs or in the value of the work done by labour in this State, there is a commensurate increase in the tax base to the State, which it needs to meet its commitment to schools, police and so on. In that respect, payroll tax has some advantages because it is a method of taxation that has potential for growth. Very few taxes available to the State have that potential.

The effect of payroll tax also must be measured. It is primarily felt by larger companies; small business is generally not affected because of the threshold. Larger companies generally pass it on to their consumers; they increase the price of their product and the tax burden is spread over the wider community.

Mr Wiese: That is patent nonsense and you should know that. How does an iron ore company or a company exporting to an overseas market pass it on to its consumers? That is what the majority of our larger Western Australian companies are doing. That is nonsense.

Mr KOBELKE: The member for Wagin has jumped me again.

Mr Wiese: Perhaps you should talk a bit of commonsense.

Mr KOBELKE: If the member holds off with his nonsense statements, he will hear me. He refers to my next note. I was talking about small business.

Mr Wiese: You were making broad, sweeping statements.

Mr KOBELKE: I said that small business was not captured by payroll tax. I then moved on to large businesses and said that they pass the cost on to their customers. The next point I have written in my notes is the need to be competitive. If we look at the various sectors of industry, we see that if industries are export orientated, they must be competitive, and a large amount of payroll tax will affect their competitiveness. We must take that into account. Let us look at our major exporters.

Mr Wiese interjected.

The DEPUTY SPEAKER: Order!

Mr KOBELKE: Our major exporters are generally capital intensive. The member for Wagin alluded to our iron ore mines. Only a fraction of the costs of mining companies are involved in labour. Although the amount of payroll tax may be quite large because they are fairly large enterprises, and it is a progressive form of taxation, generally labour is not a major component in their cost structure. We must look at how big a negative it is and be cognisant of that, because these companies must be competitive internationally. I have heard no arguments so far to indicate that most

of the major industries in this State find payroll tax a major disincentive to their international competitiveness. It clearly should be looked at.

To sum up, the Government clearly must protect the tax base for payroll tax. I have restricted my remarks to that. However, the Government is not making the system easier to understand, as is suggested. In some respects it is doing that but the whole approach has been to apply band-aids and to allow salary packaging to continue. To some extent the Government is not the initiator. A whole range of commonwealth and economic issues are driving it that way. It will be a dead end which will not improve the tax base of this State. It will not set up employment arrangements that will serve the interests of employees or the State in the long term. I hope the Government will look at addressing the fundamental issues rather than just try to patch up its taxation base for payroll tax.

MR COURT (Nedlands - Treasurer) [3.43 pm]: I thank the members opposite for their contribution to this debate. This legislation for changes to these revenue measures is reasonably complex. I will work through the points raised by different speakers and, as best I can, answer the queries. The Deputy Leader of the Opposition made the point that the debits tax rate increase currently applies only to an account upon which a cheque may be drawn. However, he was concerned that this might extend to all accounts, if broadly based debits tax increases recently announced by the Premiers came into operation. Of course, that is dependent on whether the Queensland Government is able to support this financial tax reform. Therefore, it is not yet certain if or when it will progress. If Queensland came on board, the question of what account base and what rate should apply would certainly have to be examined. Given that the proposed debits tax would replace the existing debits tax and financial institutions duty, and given that the new tax would have an ad valorem rate, the debits tax rates being put in place by this Bill would definitely not operate in that environment. Obviously, if we were getting rid of the financial institutions duty, we would have to make changes to these rates.

Mr Ripper: Your total rate of taxation on financial transactions will not go down as a result of this national agreement.

Mr COURT: No, but people would be complying with only one tax and not two taxes.

Mr Ripper: I understand that advantage but the total amount that people would pay would stay the same.

Mr COURT: The only way it could change is if we had the total taxation reform package and all the state taxes were put on the table. Then we could negotiate on a number of our current state taxes.

Mr Ripper: If we were prepared to cop a GST.

Mr COURT: Which members opposite support.

Mr Ripper: I do not support a GST.

Mr McGowan: We do not support it.

Mr COURT: I thought that Paul Keating came over and got members opposite all geed up. He said, "Come on, we have got to have a GST," and they passed a motion saying, "Yes, we support a GST."

Mr McGowan: That was your Deputy Leader.

Mr COURT: It was Paul Keating.

Mr Ripper: You have the wrong deputy; it is your deputy who supports the GST.

Mr COURT: Paul Keating came across and gave the big sell. They all signed up and said, "Yes, we support that; it is a good idea."

Mr Wiese: How would the Leader of the Opposition make the changes the member for Nollamara was talking about, if he does not go for a GST?

Mr Kobelke: I do not think GST is a better tax; it is a very inefficient tax.

Mr COURT: What does the member for Nollamara suggest?

Mr Kobelke: The GST is not a better form of tax.

Mr Wiese: What do you suggest?

Mr Kobelke: There are many taxes that should be put on the table.

Mr COURT: Put one on the table. The member cannot say that he wants tax reform and to change the tax system and then not put up a proposal.

Mr Kobelke: A big area would be better enforcement.

Mr COURT: I will continue because I do not think I will get an appropriate answer to that question.

Several members interjected.

The DEPUTY SPEAKER: Order! Members must stop the cross-Chamber talk.

Mr COURT: The Leader of the Opposition mentioned salary packaging adversely impacting on the payroll tax base, while at the same time saying that the State was encouraging salary packaging in some of the agencies.

Mr Ripper: Such as Health and Education.

Mr COURT: I thought the Leader of the Opposition would think it good if we were able to save some moneys that we were paying across to Canberra.

Mr Kobelke: It should be a proper arrangement and not these contrivances for trying to pick a bit of money out of the Federal Government's back pocket. We are not supposed to be Fagin. Let us do this by decent means.

Mr COURT: So the member for Nollamara does not support salary packaging?

Mr Kobelke: No, I don't.

Mr Brown: Your point is that this legislation is necessary because people are getting round paying payroll tax. You are introducing payroll legislation to stop it and yet at the same time you are encouraging it, which is a hypocritical position.

Mr COURT: If the Commonwealth Government believes its tax base is being compromised, I am sure it will bring about changes.

Mr Ripper: That is what I argue; you might get a short term benefit out of salary packaging but eventually the Commonwealth will take the same sort of measures that you are taking.

Mr COURT: The Leader of the Opposition also criticised the fact that the Government wanted to move towards the abolition of payroll tax. That is true.

Mr Ripper: I criticised the unreality of the promises you made.

Mr COURT: Okay, but it was part of a package that was put to the electorate in 1993. It was accepted in this State but not nationally. In New South Wales it was not accepted. That certainly would have been quite a radical reform to our tax systems and would have made the abolition of payroll tax possible.

Mr Kobelke: Do you accept that if that reform had gone through, it would further increase the financial control of the Commonwealth over the States?

Mr COURT: Not if it were accompanied by the States getting a guaranteed share of the revenues collected.

Mr Kobelke: What is a guarantee from the Commonwealth worth, regardless of the Government of the day?

Mr COURT: I do not care which political party is in power in Canberra over the next decade. If the party is not prepared to move to an agreement whereby the States get a guaranteed percentage of growth revenues, it will be dead in the water politically. The sooner both major political parties wake up to that, the better.

Mr Kobelke: We support the need to address the fiscal imbalance.

Mr COURT: The Labor Party had 13 years in Federal Government. Kim Beazley, the current Leader of the Opposition, did absolutely zilch when it came to getting a better deal for the States in relation to those financial matters.

Mr Kobelke interjected.

Mr COURT: I will criticise the coalition Government as hard as I do the Labor Government. The Labor Party had 13 years; our people have been there only 18 months. We will be very critical if it has not achieved that goal in 13 years. The Deputy Leader of the Opposition also referred to the lack of time to research a number of these issues. I appreciate that the time frame for putting these revenues in place by 1 July will be relatively short. I hope the Deputy Leader of the Opposition received adequate briefings.

Mr Ripper: We are pleased with the cooperation of your officials. It was very good.

Mr COURT: I am pleased to hear that. I realise it is a relatively short time frame. Coming out of an election and putting the Budget in place places certain disciplines on the Government. However, I think that is healthy. The Government will take on board the suggestion relating to a few more weeks.

Mr Ripper: Otherwise you run the risk of a member of the upper House with a great interest in the detail of taxation measures sending it off to a committee.

Mr COURT: I am sure that will happen.

The member for Bassendean and the Deputy Leader of the Opposition said that the travel and accommodation allowance rates would rely on rates included in industrial awards, or in their absence, rates prescribed in the regulations and that these rates prescribed had not yet been determined. Consultation is taking place between the Treasury Department and the Chamber of Commerce and Industry to ascertain the rate at which allowances of this type are generally provided in this State. On the basis of that information and the rates currently applying in other jurisdictions' tax Statutes, a judgment will be made on the appropriate rates to apply. The Deputy Leader of the Opposition also said it was anomalous that the Government should rely on award rates given its preference for workplace agreements. The use of award rates applies in other jurisdiction with similar concessions. It is considered the use of the mechanism reduces the compliance costs for employers and the administration costs on audit for the State Revenue Department.

The member for Bassendean also said that the second reading speech refers to these amendments improving the equity and efficiency of the State taxation regime. However, he questioned how that was being done.

Mr Brown: No. I said the second reading speech outlined the technical changes, but it did not talk about how these changes meet equity and efficiency considerations.

Mr COURT: I am sorry. I will give some examples. Efficiency is being improved by ensuring that all forms of remuneration provided by employers are subjected to payroll tax, clarifying the application of taxation Statutes in a number of respects to reduce compliance costs and a number of disputes which the taxpayers and the State must fund, putting in place a more administratively efficient approval system for charitable exemptions, shutting down three specific stamp duty avoidance avenues to protect the revenue, supporting efficient fundraising in overseas equity markets for Western Australian businesses, and facilitating the winding down of the federal interstate road transport scheme and its replacement by a state licensing arrangement. Equity is being increased by facilitating a better land tax outcome for properties being administered by executors of wills, ensuring that the treatment of an employer's remuneration payments is consistent regardless of the form in which the remuneration is provided, recognising the reimbursement nature of most travel and accommodation allowances so that they are generally not treated as remuneration for payroll tax purposes, putting in place fairer rules to assess the first home buyers stamp duty rebate, and ensuring unstamped instruments can be pleaded by a non-liaible party.

The member also said that the payroll tax regime was not equitable because some businesses were stepping out of the net by encouraging employees to become contractors. I agree that this is proving a difficult area for the State Revenue Department. Generally speaking, the payroll tax legislation relies on an employee-employer relationship.

The recent Vabu Pty Ltd decision in the New South Wales Court of Appeal raised the issue of the treatment of contractors as employees. This is an issue of concern not only to this State but to all the States and Territories and the Commonwealth in the context of the PAYE tax collections. Treasuries of all jurisdictions are considering an appropriate response in this matter. Because a number of employers operate across jurisdictional boundaries, it is important that a consistent response to the issue be adopted. We are awaiting advice on that matter before we decide on a response and whether if necessary, to amend legislation. The whole question of contractors and payroll tax is a difficult area.

Mr Brown: What is the time line for that?

Mr COURT: I cannot give a time line. I can make an inquiry with the Treasury Department.

Mr Ripper: Is the Australian Taxation Office involved in those discussions from the point of view of income tax?

Mr COURT: The Commonwealth Treasury is; the Taxation Office is not involved.

The member for Armadale referred to shareholders in Western Australia being moved to trade overseas. That is unlikely for a number of reasons. For example, the brokerage costs in Canada are higher. There is also an exchange rate risk involved with dealing overseas. The owners of the shares would not care; the purchaser would be concerned. Companies will not list overseas due to some of the costs associated with that, unless they are raising considerable funds.

Ms MacTiernan: I am not suggesting you would list overseas expressly to achieve that end. Given that you are listed overseas, shareholders in those companies that have an overseas listing will now have an incentive to hold their shareholdings on registers offshore.

Mr COURT: Why?

Ms MacTiernan: They will be able to trade those shares without paying stamp duty.

Mr COURT: No. The owner does not matter if they are held locally. The member is referring to the purchaser. It is the purchaser of the shares, not the owner of the shares.

Ms MacTiernan: The purchaser pays the duty.

Mr COURT: Yes. However, the member said it would be in the owner's interest to have them located overseas. It would depend on the jurisdiction.

The member referred to total marketable security duty. I am told it is \$20m. The majority of that is on market and we are dealing with a small portion of this. However, the data of the exact rate is not available.

Ms MacTiernan: Is \$20m the total annual take?

Mr COURT: Yes. The member then asked about consultation. There has been consultation with a number of Western Australian companies, the Australian Securities Commission, and the practitioners in this area. The ASC was consulted post announcement. It was not enthused, but its chairman, Mr Humphrey, was recently reported as saying that he was happy to compete head to head with overseas exchanges.

Ms MacTiernan: He says he was not enthusiastic. Does that indicate that he shares some of my concern, that we may see WA shareholders moving their share investments overseas?

Mr COURT: As he said, they must compete with exchanges overseas. If it is attractive for companies to be raising funds and the like overseas and listing on overseas exchanges, that is the commercial world.

Ms MacTiernan: You are saying that the playing field is no longer level. If you trade in WA, you pay stamp duty; if you trade offshore, you do not.

Mr COURT: I must contact Mr Humphrey, and I am sure the member can also do that if she wants to see what the concern is.

The member for Churchlands said that the second reading speech and the memorandum were not consistent. They are. The table in the memorandum shows a direct comparison of tax paid on a set value under the old and new scales. In all cases the tax will be lower under the new scale. The statements in the second reading speech regarding increases and decreases are based on actual valuation data for 1996-97 and 1997-98, with the old and new rates applied as appropriate. In this case the change will be determined by an interaction of value and scale changes. This data was computer modelled by the State Revenue Department to provide these results.

The member for Nollamara made a number of points about taxation. It is important if he wants to talk about tax reform that he be brave enough to put forward some alternatives. That seems to be lacking.

Ms MacTiernan: Some of us have made that move.

Mr COURT: One member has made that move, but she got shot down!

Ms MacTiernan: Did I? By whom?

Mr COURT: By those on the members' side; they could not come out quick enough.

Ms MacTiernan: Time will tell. John Howard supports it.

Mr Brown: Are you still a GST advocate?

Mr COURT: I have made it very clear that in relation to tax reform, at the end of the day we can bring in a goods and services tax - I think it is an efficient way to have a broad based tax - only if there is a significant cut in income tax and it is also tied to reform of the share of the growth taxes the States get. I am afraid that the Government will go down a GST path without changing income tax rates significantly and without making any difference to the declining percentage in growth revenues the States are getting. If that were the case, I would very strongly oppose it, and I have said that on many occasions. I gave two addresses last week to bodies in Canberra and Melbourne where the GST has been reported on and taken up by the media. My position is that if we move to a GST, we must

have a substantial reduction in income tax rates and a commitment for the States to get a fairer share of the growth revenues.

Countries that have introduced a GST have found that the simpler it is, the better it works. One of the difficulties with the Fightback package, not that it was ever implemented in practice, was that the proposal went into too much detail; it became too complex. It must be kept simple. When the GST was introduced in New Zealand, examples were provided of Mum, Dad and three kids and statements were made about whether they would be better off or worse off under the proposed system. One of the chaps working with Roger Douglas said that if people could prove to him that they would be worse off, he would buy them lunch at Parliament House - he bought one lunch at Parliament House. He was able to demonstrate that the average person would not be worse off under the changes. If the proposed GST cannot be kept simple, Governments should not try to bring about such changes.

Mr McGowan: They subsequently changed the package to make people worse off. They lifted the rate as well. Once they are put in place, they become self-perpetuating.

Mr COURT: It is a bit like the federal fuel tax. It is put in place; it continues to increase and for good measure a consumer price index increase is whacked on it as well. It just keeps going up and up.

Mr McGowan: That is right.

Mr COURT: Why would the member use that as an example if there is already a broad based goods and services tax on fuel and the like, which has not only been ratcheted up with the CPI, but also has been increased considerably? It is ludicrous. I am saying that the Federal Government has itself locked into ratcheting growth revenues and the States are not a part of the deal. Every year we get a smaller percentage of the growth revenues. That is a crazy system.

Mr Brown: You do not need tax reform to get agreement in tax sharing.

Mr COURT: I agree with that. It is a bargaining tool for the States. Tax reforms cannot be brought about without the support and cooperation of the States. To get that cooperation, the Federal Government must do a better deal. As I said earlier, if a political party tries to bring about tax reform without improving the deal to the States, it will never get off the ground and that party will go out of government.

The 8 per cent increase in the base rate is made up of 6.5 per cent for superannuation and 1.8 per cent for fringe benefits, minus 0.4 per cent for travel and accommodation allowances. Those estimates were based on Australian Bureau of Statistics data, and the experience of the Australian Taxation Office and other States in these matters.

I thank members opposite for their contributions to the second reading debate. I hope I have been able to address the issues that were raised.

Question put and passed.

Bill read a second time.

Committee

The Chairman of Committees (Mr Bloffwitch) in the Chair; Mr Court (Treasurer) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Commencement -

Mr RIPPER: This is quite a complicated clause. In certain parts it indicates that the legislation will apply retrospectively. I support the retrospective application of legislation in certain limited circumstances, particularly where it is required to deal with blatant tax avoidance mechanisms. I have not often heard support for retrospective legislation from the other side of the Chamber. The coalition parties are more inclined to argue that retrospectivity is a bad principle and that is the end of it.

Ms MacTiernan: They did not have any reluctance when it came to workers' compensation.

Mr RIPPER: I take the point made by the member for Armadale that the coalition is not consistent in that argument. Is it the Government's intention to use retrospective legislation on tax avoidance measures? The practice of a former Commonwealth Government was to issue a press release on taxation changes and to put the legislation through 12 months after, but to make it effective from the day on which the press release was issued. What is the rationale for departing from traditional coalition policy on this matter? Is the Government signalling an intention to use retrospective legislation aggressively to deal with any tax avoidance in the state taxation base?

Mr COURT: The Government has been consistent in acting on tax avoidance measures. We hope the revenue raising measures are not retrospective and the legislation is passed before then. The Bill contains two anti-avoidance measures and one measure relating to the stock exchange, which will be effective from 14 January.

Mr Ripper: If someone pops up with an avoidance measure in six months' time, will the Treasurer legislate retrospectively?

Mr COURT: The Government has been consistent in that regard.

Clause put and passed.

Clauses 3 to 5 put and passed.

Clause 6: Schedule amended -

Ms MacTIERNAN: The intent of this provision is to extend the residential exemption to a deceased estate for a period of up to 12 months. One can understand the primary motivation that it takes some time to wind up a deceased estate. However, I note that a provision has been inserted to minimise an unfair advantage from this provision; that is, the proposed exemption will not be available where the estate derives any rent from the property from the date of death of the owner until the estate is distributed. It does not take too much imagination to appreciate that a substantial benefit can be obtained by someone living in the premises rent free. I would like to extend that limitation on the exemption, so that a person who had not previously resided in the property would not receive a tax break. It is not unusual for a property to attract a weekly rental of \$300 to \$400. A beneficiary of the estate who moved into that property for a year would receive an effective benefit of somewhere between \$300 and \$400 a week. That is a considerable commercial advantage. The estate should not be immune from paying death duties in those circumstances. I would like the caveat on the exemption extended. The exemption would not apply where someone who had not previously resided in the house took up residence in the home during the period of the exemption.

Mr RIPPER: What has been the demand and rationale for this change to the law? I have not received any representations as to the unfairness of the section that is being amended. The law currently provides that a residential property is not subject to land tax. The Bill extends that concession to the beneficiaries of the estate of a deceased person who used to live in the property. Why do we need to extend that concession? Those people are not residing in the property. They are in fact the owners of what could become an investment property even if it is not an investment property at the time. If instead of their ownership of that property their benefit from the estate were held in cash or in a bank account, they would not be exempt from bank account debits tax or financial institutions duty. There does not seem to be any substantial argument for beneficiaries of an estate to be exempt from land tax. The Opposition has been advised that this change will not affect a significant amount of revenue. However, we are still puzzled about the demand and the rationale for this change.

Mr COURT: The Government is improving equity in these arrangements. It depends when someone dies as to whether their estate will be disadvantaged. This is a fairer way of proceeding. There has not been strong demand for it, but it has been done in other States and it has been working effectively. The member for Armadale made the point that someone living in the house rent free would receive an advantage within that year and they should pay land tax.

Ms MacTiernan: I said that is a benefit to a beneficiary. I am not saying that person would pay the land tax.

Mr COURT: It is a matter of judgment. The other jurisdictions that have brought in these provisions have not seen that it is necessary to go further with what the member for Armadale has proposed. My family has been through a similar exercise, where a member of the family has moved into a property. The member might say they were a beneficiary; however, they were a caretaker looking after the place until it was sold. It takes some time to wind up an estate and to sell a property. I cannot see the need to move down the path the member is suggesting, particularly as other jurisdictions have not seen the need to do this.

Mr BROWN: This clause amends part I of the schedule. According to the notes, the amendment relates to a recent decision by the tribunal in determining what constitutes a parcel of land. The concern was that someone could avoid paying tax by applying a different interpretation to what constitutes a single parcel of land. New subparagraph (iii) will define a parcel of land. I refer to the words "actually used by the owner or owners as one integrated area that constitutes the place of residence." As I understand it, if more than one lot is involved and such lots are intended for residential purposes the area is classed as one lot for tax purposes. However, if the use is not clearly residential it is classed as such and the tax will apply. What test is applied in that determination? For example, under the rural planning arrangements, one is allowed to place only one house on a lot. It may be a one hectare lot, and a person may run horses and undertake other activities on the lot. If the area were defined as urban the lot could be divided into

six or eight housing blocks. In that scenario, is it classed as a single lot and therefore exempt, or is it regarded as eight lots; and if a person fenced, say, one-eighth of the block for residential purposes, is the remaining area taxed?

Mr COURT: A determination will be made on a case by case basis. We must establish whether the area is an integral part of the home lot. For example, a driveway may cut through the other lots and a judgment must be made on whether that is part of the block. If the area were vacant and not being used as part of the residential area it would not be treated as part of the residential lot. A judgment must be made by the revenue officers.

Mr BROWN: In rural areas people cannot have small lots. For instance, in the Swan Valley planning restrictions apply, and a lot must not be less than a certain size. It might be enough to run horses or undertake other activities. However, one may build only one house on the lot. In those circumstances I assume that people would not be deemed to be holding more land than a single lot. I assume they would be deemed to be simply residing on the lot even though it is a large lot, because they can build only one house. The area does not consist of a number of blocks which one has conveniently joined together for the purpose of housing a tennis court or swimming pool.

Mr COURT: A maximum size block applies where one can enjoy residential exemption. Under the Act an exemption applies to any lot or parcel of land not exceeding 2.0234 hectares in area or two or more lots of land which do not exceed 2.0234 ha in total area and on which is constructed a dwelling house, parts of which stand on each of the lots. As to the example cited by the member, if one could prove that the land were for primary production, it could fall within a primary production exemption. A person could undertake horse breeding or something of that nature. However, one must be able to prove the land is being used for genuine primary production purposes.

Mr Brown: Many people are not in that situation. They have regular jobs in the city, but are hobbyists who run horses.

Mr COURT: They would not qualify for primary production status. A maximum area applies.

Mr RIPPER: What is an acceptable use of the land? If a person has a couple of lots, and a house stands on one and a swimming pool on the other, it might be acceptable to allow the whole parcel to be described as residential and receive a concession. Does this provision relate to swimming pools only or to other activities? What sort of country estates qualify for this arrangement?

Mr COURT: One must clearly demonstrate that it is an integral part of the residence. The residential usage of the vacant lot may comprise a common boundary fence, a tennis court or swimming pool or some other structure which evidences that the lot is being used as an integral part of the residence of the owner.

Mr Ripper: What about a vegetable garden?

Mr COURT: I guess it depends on the vegetables! The lots must clearly form a single residential property for all intents and purposes. Before people die I do not think they go to great lengths to organise their boundary fences!

Mr BROWN: I refer to proposed subparagraph (xii). The words used are "the owner of which is an executor or administrator, or the owners", and so on. Does that mean that the owner is the executor or the administrator? I understand the need for the change to give some opportunity to dispose of the property after a person dies so that the executor or administrator can dispose of the land and not be subject to land tax and so on, particularly on vacant land. However, I am not sure under the law when a person dies and the will is not distributed that notionally the property is vested in the executor or administrator until such time as a distribution is made. That might be the reason for that wording.

Mr COURT: As soon as a grant of probate to the executor or administrator is made, that person is viewed by the Land Tax Assessment Act as the owner.

Clause put and passed.

Progress

Progress reported.

[Continued on page 3896.]

GRIEVANCE - LEGAL SERVICES, FREMANTLE

MR McGINTY (Fremantle) [4.32 pm]: My grievance is directed to the Minister representing the Attorney General. I will address certain justice issues in Fremantle. Justice and the administration of the law in Fremantle are facing a crisis that requires urgent action by the State Government. Unless the State Government is prepared to commit to retaining and upgrading legal services in Fremantle, the people of the area will be denied reasonable access to justice. I will refer to a number of recent events that occurred in the Fremantle area that cause me considerable concern.

First, recently a significant exodus of lawyers from Fremantle has occurred. They are leaving in unprecedented numbers. Over the past six months, three barristers who specialise in criminal law left Fremantle and moved to Perth. Hilton Quayle, Marcus Wood-Gush and Ed De Vries formerly practised in Henderson Street opposite the Magistrate's Court. Now they have gone. There is simply not enough work to sustain their criminal law practices in Fremantle.

The once premier law firm in Fremantle, Frank Unmack and Cullen which, 15 to 20 years ago at its peak employed as many as 20 lawyers, is today much smaller with, I understand, only two solicitors working there. D'Angelo and Partners, a firm specialising in personal injuries, workers' compensation and victims of crime will decamp to Perth at the end of the month, closing its Fremantle office. D'Angelo and Partners believes its Fremantle office was not sufficiently profitable.

There is no suggestion that fewer crimes are being committed in Fremantle. I wish that were the case. However, there has been a reduction in legal facilities and funding which means there is a diminished role for lawyers in justice in Fremantle. If there is a diminished role for lawyers, unfortunately that means the quality of justice and the access to justice in Fremantle is also being diminished.

Second, in the past few months the State Government has advised of its intention to close the Fremantle Children's Court operating out of Crane House. The nearest courts are in Rockingham, Armadale and Perth. Police, witnesses, parents, support services and others will now have to travel. It is far better to have juvenile offenders dealt with in their own community than by the situation that faces Fremantle. Quite apart from the issue of travel, inefficiencies will result from not having the Children's Court in Fremantle, but, most importantly, legal services in the city will be further diminished. Although I appreciate that it is intended to reopen the Children's Court when the new court complex is built, this will be years, perhaps decades, away. I appreciate also that the existing Children's Court is far from ideal; in fact, like the Fremantle Magistrate's Court, it is rundown and substandard. However, the emphasis should be on opening new facilities, not closing existing ones.

The third point to which I refer is the decline in legal representation. Many lawyers in Fremantle to whom I have spoken in recent weeks report to me that the number of unrepresented people appearing in the Fremantle Magistrate's Court facing criminal charges is increasing. One reason for this is the loss of lawyers in Fremantle, about which I have already spoken; another is the capacity of offenders to pay for legal representation. Perhaps the major contributing factor is that legal aid is generally no longer available to provide representation to people facing what can be serious criminal charges in the Magistrate's Court. Those charges can include some sexual offences and some assaults that can result in penalties of years of imprisonment being imposed. Essentially, guidelines provide for a grant of funding for legal aid in the Court of Petty Sessions only when there is a risk of imprisonment and when there are other exceptional circumstances. I am told by Legal Aid Western Australia officers in Fremantle that these cases are so limited as to effectively mean that no legal aid is available for defence in criminal prosecutions in the Magistrate's Court. When no funds are available for legal representation in Court of Petty Sessions trials, people are more likely to be unrepresented, justice is less likely to be done and legal services generally will decline.

The fourth matter I will touch on is the cuts to Legal Aid. In last year's federal Budget a global cut of \$34m in funding to Legal Aid was made. Western Australia's share was initially estimated to be \$3.3m. On 15 April this year Attorney General Foss told the Senate Estimates Committee that Western Australia's cut had increased to \$5.2m. On 27 May the Attorney General told the Legislative Council in answer to a question that the figure had risen to \$5.8m. Two weeks ago on 29 May the Attorney General told the Parliament of the existence of a strategy for which cuts would be made and how the State Government would respond in the event of the worst case scenario of the State bearing the full brunt of the commonwealth cuts. It is commonly believed that strategy, the details of which have not been made public, includes the possible closure of the Fremantle Legal Aid office. Fremantle people will have to travel to Perth to seek legal aid if this occurs. The legal advice bureau, duty lawyer services and prison visits, as well as legal assistance, are likely to be further curtailed. If the Fremantle Legal Aid office closes, it would be a body blow to the right of Fremantle people to have access to justice. The possibility of the closure of the Fremantle Legal Aid office should be removed from the Government's strategy list.

What must be done? First, I urge the Government to maintain Legal Aid's services. This means retaining funding or finding it from within the state Budget to ensure that people are properly represented. Second, the proposed new Fremantle court complex should be given priority. When constructed, it will provide modern acceptable court facilities to replace the substandard Children's Court and Magistrate's Court. It is proposed to house superior court judges from the District Court, and possibly the Supreme Court, at the new complex. This would improve the administration of justice in Fremantle. The court complex will provide a boost to the legal profession and legal services in Fremantle and, it is hoped, reverse the decline in legal services in Fremantle, which I have already addressed. It will enhance public access to justice. If constructed properly on an appropriate site, it will be a significant addition to the public buildings in Fremantle. The new court complex has been on the agenda for some

time. I urge the Government to get on with it and to give priority to those proposals to reverse the decline in legal services in Fremantle.

MR PRINCE (Albany - Minister for Health) [4.40 pm]: In response to the various matters raised by the member for Fremantle, I have some information, albeit incomplete, from the Attorney General about the general matters I was aware the member would raise. With regard to the exodus of lawyers from Fremantle, I am aware that Frank Unmack and Cullen was a big firm, but firms vary and fluctuate in size from time to time. It probably has more to do with the people in the firms rather than the market in which they operate. It is of great concern that people are leaving Fremantle and going to Perth because it is perceived there is not enough legal work in Fremantle. It may have something to do with the closure of the Fremantle Prison. Having practised in the Fremantle courts from time to time, I am aware that when the prison was in operation, a significant number of the people who appeared there were prisoners from the gaol or were going to and from the gaol on remand. Since it was closed and Casuarina Prison has opened, much of that sort of work has gone directly to Perth. However, when D'Angelo and Associates, who do not operate in the criminal area at all, say it is not profitable, it is not profitable. In a sense there is not much anyone can do about that if the personal injuries claims side of the business is not profitable in the Fremantle area.

The member said there has been no diminution in crime, but that a good deal of this consequence results from the closure of the Children's Court or other matters to do with legal aid funding. With regard to the closure of the Children's Court, I am aware of a proposal as an interim measure until the new court complex was completed that the court should cease sitting at Fremantle, and that these matters should be dealt with in the Perth Children's Court. There was a discussion paper outlining those proposals. However, stakeholders interested in that, particularly the police and the offender management division, expressed grave concern about the closure of the Children's Court, as a result of which matters were presented to the Attorney General. He determined on 4 June that the Children's Court would not be closed.

Mr McGinty: It has not been announced.

Mr PRINCE: It may not have been, but the Attorney General advised me of that this afternoon. I have a copy of a memo he has signed agreeing to that proposal. I have no doubt it will be made public soon. The decision is not to close the court at present.

Mr McGinty: I am very pleased to hear that.

Mr PRINCE: With regard to the new court complex, I have appeared at the old court and I know what it is like. I have appeared in much worse courts, but the facilities at the Fremantle Court of Petty Sessions are quaint and historic for part of the metropolitan area of a major city. In that sense they are interesting and worthy of preservation, but they are not the right place in which a court should operate. That applies not just to the security aspect, but also the movement of people through it, and the ability to deal efficiently with significant numbers of people on different charges. The design was modern a hundred years ago, but it is no longer modern and there should be a better facility. I agree that a new court should be provided, and I understand a significant amount of work has been done on this matter.

The Attorney and others have inspected as many as 12 sites in the Fremantle area, of which three are spoken of as preferred sites. I know nothing about them nor do I know where they are located. I am aware that the immediate past Mayor of the City of Fremantle was involved in the consultative part of these discussions and meetings on this subject. It seems there has been disagreement at the City of Fremantle about what, where and so on. In any event the process is grinding along slowly.

Mr McGinty: When I was in the Ministry it was at the same stage, and that was a long time ago.

Mr PRINCE: I am told the outcomes of a site selection workshop involving the City of Fremantle and various representatives will be included in a brief to consultants, which is in process right now. The process of establishing a new court is in hand at present. It probably could have progressed more quickly but I understand there have been problems with the City of Fremantle recently. I am not saying that has been the problem all along. I do not think the member will find any want of desire on my part or on the Attorney General's part for new facilities to be constructed.

With regard to the general decline in legal representation, the member spoke of the number of defendants who are undefended. That observation is generally true and particularly in the Court of Petty Sessions. I remind the member of the proposition first enunciated by the Supreme Court that imprisonment is a sentence of last resort, and now enshrined in the Sentencing Act. It was previously in the Criminal Code, and imprisonment is now used less than it used to be as a first resort, particularly for offences at the lower end of the scale. The Legal Aid Commission has not changed its criteria; namely, there must be a reasonable danger of the person going to gaol. Of course, a

significant number of defendants do not have any prospect of going to gaol and, hence, they are not eligible for legal aid.

Mr McGinty: One is that they are likely to go to gaol and the other relates to exceptional circumstances.

Mr PRINCE: That has always been the case. It is a matter in an advocacy way of being persuasive to the Legal Aid Commission, which has never had enough money to grant certificates of aid to everyone who asks for them.

Mr McGinty: The situation is a good deal more acute now.

Mr PRINCE: I accept that, but I am putting it in an historical context. The Legal Aid Commission receives \$11m funding from the Commonwealth, \$7m from the State and \$2m from its own resources, such as fees and contributions. The estimates of the proposed commonwealth cuts have varied between \$3.3m, \$7.1m and \$5m. The exact amount is still unknown. It is unlikely to be known before the end of the month. I have not heard of any proposal concerning the closure of the Fremantle office, and I do not know what might have been planned. That will depend on what the Commonwealth decides. I will convey the member's concerns to the Attorney. I think the closure of the Fremantle office would be a last resort, if contemplated at all. I agree the court complex should be constructed, and I will convey that also to the Attorney.

GRIEVANCE - CANNING VALE MARKETS

MR MacLEAN (Wanneroo) [4.47 pm]: My grievance is a result of approaches from market gardeners and commercial agents at the Canning Vale markets. These people have expressed concern about problems occurring at the markets. These problems affect the use of the markets by growers, especially those who must travel long distances to bring their produce to the markets. Because the problem affects growers, it has a flow-on effect on agents. The main problem of the growers appears to be related to the Saturday sales. When the Perth metropolitan markets were in operation, the sales on Saturdays were for the disposal of unsold wholesale products, but it has now become a retail operation. It involves cash sales of produce that should be in wholesale lots but quite often can be found in smaller quantities, such as two kilo bags of carrots.

The Saturday market has developed to a large extent because it is a cash economy. This has caused a great deal of concern among agents and growers. This Saturday market provides an opportunity for some agents who are involved in shady practices to discriminate against the growers. That opportunity arises because of the style of operation in the markets. I advise members that trading in the markets is mostly done on a nod of the head, or on a person's word and bond. When sharp practices are introduced into an honour system, such as that which operates in the markets, there is always exaggeration about its incidence.

The growers and agents recognise that and that is where the damage is occurring. However, there are some very sharp practices. Many growers and agents are complaining about averaging, which involves two approaches: First, an agent will record the sales of all produce for a certain grower and, for example, for 100 boxes of apples he will record that 50 boxes sold at \$20, 20 boxes sold at \$15 and 30 boxes sold at \$10, giving an average of \$16. A sharp operator might sell 50 boxes of apples at \$20, 20 boxes at \$15 and 20 boxes at \$10 and average the sale at \$15, giving him 10 boxes of apples to sell for cash on Saturday. That practice is very hard to prove because of the honour system and it has caused a great deal of concern.

It has also resulted in growers not using the markets for their main produce sales. The agents for many major supermarkets now approach the growers directly and buy a portion of the crop before it gets to the market. The growers hope this will cut out the middle men and reduce the chances of their being victims of improper practices. Unfortunately, shopping centres now buy a crop on the average price at the market sale. If they are not careful, the growers may find that by supplying the bulk of their produce directly to the supermarket and selling the rest on the market floor they are inadvertently reducing the price paid by the supermarket.

The growers and agents recognise that much of what is said is hearsay. Although they say it has happened to them, they cannot put their finger on it. However, there is a way around it. The market employs a number of inspectors whose job, according to the regulations, is to check the produce to ensure it is of saleable quality, that it is being handled properly and that all transactions are being conducted above board. Unfortunately, these days the inspectors seem to spend more time in the car park booking growers and agents for overstaying the time limits in short-term parking bays than they do inspecting produce. This has annoyed the growers because they pay a levy for these inspectors.

Another problem for the markets is that a breach of the regulations is a criminal offence. An agent who overstays his permit time and is fined for a breach of the regulations will also have committed a criminal offence.

The agents and growers have practical ways to overcome some of these problems. They would like to see the inspection service extended to the Saturday markets. They would also like to see the agents and sales people registered. The markets do have regulations, so there would be no need to rewrite the legislation. The sales people and agents would need to appreciate the regulations -

[The member's time expired.]

MR HOUSE (Stirling - Minister for Primary Industry) [4.55 pm]: The Canning Vale markets were established as a result of a decision by the Burke Government to shift the West Perth markets in 1983. That resulted in a large capital debt being acquired by those involved and the Liberal Government had to grapple with that issue when it came to office. In fairness, the Burke Government saw the opportunity to redevelop the West Perth land and believed that the market would be better placed at Canning Vale. They were judgments made at the time and, although I am not being critical, this Government had to live with them. As a result, it took over an organisation which had a large capital debt and which was running at a loss.

I took immediate steps to institute a new board of management, chaired by Graham Anderson. In putting that new board in place, the Government chose people with particular skills. I gave them some direction in stating that I felt some services should be contracted out, that the markets should be run on a more professional basis and that we needed to take steps to overcome the enormous animosity that had developed between the growers, agents, buyers, people involved in trucking the produce and others using the markets. Much of that animosity arose because of the underlying structural problems; that is, the amount of money owed and the annual loss that was continuing to accrue. That spilt over into other areas of decision making and the problems were neglected. To his and the board's great credit, Graham Anderson took steps to address those issues. Not only is that debt now under control but also the market runs at a small profit each year.

Steps have been taken to overcome the problems the member mentioned, many of which relate to market operating hours, access to the market and delivery and pick up times. They are all very difficult to resolve because there are so many competing uses. We will never have a system that is supported by everyone using the markets; therefore we must come up with compromises.

Graham Anderson has put in place a very good consultative process. All groups are represented on the board and the consultative process has worked very well indeed. The board has locked in its decisions and, by and large, given all the competing uses, the market now works very well. That is not to say there are no problems, and as the member has rightly pointed out they arise on a regular basis, but there is a proper consultative process to solve them. Bearing in mind that none of the issues will be resolved to everyone's satisfaction, the process does work.

Like the member, people have told me that particular things are happening at the market that need investigation. Indeed, some members are aware that over the past couple of years two of the agents have gone out of business as a result of problems that developed. Those business failures have cost growers a considerable amount of money and we have had to deal with those issues.

The accusations made are often very serious. As the member has said, very dubious practices have been raised with him. I have said that if people can provide useful evidence, we will act. We will take action, but we cannot act on hearsay. We have tried to investigate those accusations as much as is possible without anyone coming forward with direct evidence. If that evidence is presented, we will take steps to ensure that something is done.

The member alluded to the problem of agents averaging the price of products. There is some criticism in the marketplace that some agents act as buying agents and some act as commission agents; in other words, some buy the product at the farm gate and resell it and some sell as commission agents. That problem has been around for some time. It manifests itself most usually with those growers who are furthest from the market. The Carnarvon growers are a good example of that. They often tell me that they do not get a fair return for their products. These things are hard to make judgments about when we sit in positions like this, because we cannot be sure what happened at the marketplace on that day. Products come in from other States on a regular basis and they have to compete with the people who sell directly to the large outlets such as Woolworths, Coles and others who use direct contract growing. Many things impinge on that process. That is not to say that we cannot do better, and we will.

I will certainly relate the member's concerns to the chairman and members of the authority and ask them to come back to me with some suggestions about how the issues he has raised can be addressed. I stress again that a very good process is in place in the market for resolving most of those issues, bearing in mind there will always be vagaries. There is always a question about whether the Government should be involved in the market at all. We have looked at that and looked at privatising the operation of that market and not being involved at all. I am not comfortable with that because I think we should provide a service.

GRIEVANCE - INDUSTRIAL RELATIONS*T & J Spray Painters*

MR KOBELKE (Nollamara) [5.02 pm]: My grievance is to the Minister for Labour Relations. Unfortunately, this Minister has no understanding of the important role unions play in protecting the interests of working men and women. Industrial relations should be about a balance between the rights and interests of employers and employees. Under this Minister this Government has tipped that balance in one direction. The Court Government's legislation has made it very difficult, if not impossible, for many workers to uphold their civil rights and protect their working conditions. I will give the House one example of how the changes to the law he brought to this place will help and protect a dishonest employer who has sought to use and abuse the people working for him.

A complaint was made to the Australian Manufacturing Workers Union and received by an official, Mr Mike Anderton, that an employer, Mr Joe Agnello of T & J Spray Painters, was not upholding the requirements of the award under which he employed his workers. Mr Anderton visited T & J Spray Painters on 18 February this year. He got some of the story and then sought access to the time and wages records. On 20 February, two days later, he returned to examine the time and wages records. The employer, Mr Agnello, presented him with a piece of paper which was signed by the employees and which indicated that they did not want the union to be granted access. He did not see the time and wages records. Within 24 hours, some of those employees had rung the Australian Manufacturing Workers Union and told Mike Anderton that they were pressured into signing the letter under fear of losing their jobs.

On 21 February, Mr Mike Anderton returned to T & J Spray Painters and had a meeting with a number of the workers during their lunch break. Five of those workers then signed a petition referring to their concerns. The petition states -

We the undersigned employees of T & J Spraypainting wish to draw to the attention of the Commission the fact that our employer has individually pressured ourselves not to allow the AMWU access to the Time and Wage Records.

Those people have gone on record because they are willing to stand up to the situation they found themselves in and seek the support of their union. The matter then went to the Western Australian Industrial Relations Commission. I have correspondence from the commission indicating that the application had been made and proceedings were under way. The date on that correspondence is 5 March 1997. That date is interesting because the next day, 6 March, T & J Spray Painters gave a memo to all staff, which stated -

Please be advised that due to the downturn in the Industry, & the shortage of work booked in, a decision will be made next week regarding restructuring the workforce to meet our current demand.

Joe Agnello.

Not only do I have the verbal evidence of intimidation; I also have a letter from some employees avowing that, and I have a letter which was written the day after the letter from the commission was written pressuring workers by telling them that their jobs would be on the line if they stood up for their rights. That is clear evidence of intimidation. One of those workers, Mr Jason McDougall, had left T & J Spray Painters. His name has appeared in the media already. His case is that he was robbed by his employer of approximately \$2 500 over 18 months, not to mention a number of other entitlements which he did not receive. The amount might be being haggled over. However, it has been accepted that he was underpaid and restitution will be or has been made. It was suggested it was a clerical error - a one-off! Unfortunately it was not. I had a meeting with about eight employees and former employees of T & J Spray Painters. They gave me many instances of the intimidation under which they worked, of how they were paid under-award wages and of non-fulfilment of conditions. They said they were under threat of losing their jobs if they took action. Many of the people at that meeting were not union members and many of the people who are now fighting to have their rights upheld are not union members. They complained to me about underpayment of wages, rostered days off not being in accordance with their awards - they were not given them or were not given the right number - and they were not paid tool money when they used their own tools on the job. Pre-apprentices were kept as cheap labour for months before they were signed up for apprenticeships. All apprentices told me that they were regularly forced to work overtime, which is not supposed to happen with apprentices. They knew if they did not, they would not be able to continue their apprenticeships.

The employer then claimed intimidation. The Minister may be able to explain whether someone from his task force or an industrial inspector went there and took the boss's side by suggesting that the union was intimidating the employees, most of whom were not union members, but who sought assistance from the union because they knew they were being abused and ripped off. I hope the Minister will take action to ensure his task force is not a party to that sort of action; that is, taking the side of the employer when the employer is being dishonest and robbing his employees of their due.

This occurred under the Minister's second wave; it had nothing to do with the third wave. This Minister has now sought to prevent unions maintaining standards unless the workers are union members. Many of the employees at T & J Spray Painters are now joining the union because they recognise that under this Minister and this Government if they do not have strong union representation, they will have no way of upholding their rights. This is a clear example of why unions will be willing to flout the law in looking after the interests of working men and women.

MR KIERATH (Riverton - Minister for Labour Relations) [5.08 pm]: That was more like a political speech than a grievance. The member for Nollamara said we had changed the balance in one direction. That is not true. We have levelled out the balance of the workplace. If that means that someone's prominent or dominant position has been reduced to make the workplace balanced, so be it.

Mr Kobelke: Such as Mr Agnello.

Mr KIERATH: No. I will come to that in a moment. I did not interject on the member for Nollamara through his speech. I hope he will show me the same courtesy.

Mr Kobelke: If you speak the truth, I will.

Mr KIERATH: I speak the truth far more often than does the member. I am not aware of the details of the case the member for Nollamara raises. I was under the impression that he wanted to speak about the minimum wage and the national wage case. If I had been given more information, such as the name of the organisation, I might have been able to provide more information to the member. But the member cannot blame those procedures on the Act that passed through the House this year because it is obvious from the dates supplied by the member -

Mr Kobelke: It was the 1995 amendments.

Mr KIERATH: So it was not even in operation then.

As I understand the law, if a person is forced or intimidated into signing something, that document is null and void; it has no standing in the eyes of the law. If an employer forced employees, as the member alleges - and I am not disputing that he did - to sign those slips, those slips would have no standing under the law. The member should also remember that there are always two sides to every story, and it is important to get both sides of the story before making any judgments. I hope that explanation takes care of the member for Nollamara's concerns.

The fact that those employees signed a petition is an indication that they are unhappy. I would be appalled if it were true that the employer tried to restructure the business if the application was made on 5 and 6 March.

Mr Kobelke: I will show you the documents.

Mr KIERATH: All I am saying is that I would deplore that action if it occurred. The member should consider looking at the remedies contained in the industrial relations legislation which cater for anyone who is discriminated against in the workplace.

The member says that Jason McDougall was robbed of \$2 500. All I can say is that the industrial inspectorate has almost doubled in size and we are considering providing it additional resources this year. An employer cannot keep the information contained in the time and wages book away from an industrial inspector. The first thing I would tell those employees if any employer did such a thing is to send in the industrial inspectors to look at the records.

Mr Kobelke: This employer tried to keep the records from the commission until the commission pointed out the law and he was forced to hand them over. But even today they are still having trouble getting records out of him.

Mr KIERATH: There are strong penalties for employers who do not produce records. In fact, one employer in this State who had thousands of charges against him is serving a gaol sentence for falsifying time and wages records. It is a very serious offence to destroy or falsify time and wages records.

I recommend in the case the member for Nollamara raised that if the person has a grievance he bring in the industrial inspector because there is no way the employer can deny him access to those records. If people have claims for such things as underpayment, rostered days off or tool money, the inspector has the power to check the records from seven years ago. It does not matter if the person has ceased employment with that employer.

Mr Kobelke: How would they do it without the support of the union?

Mr KIERATH: An industrial inspector has all the powers and even more powers than a union.

Mr Kobelke: A 19 or 20 year old on a low salary is unlikely to take the case to the industrial commission if he is being intimidated.

Mr KIERATH: The industrial inspector will do one of two things, and sometimes both of them. The first thing the industrial inspector will attempt to do is get the proper money paid. If the employer claims that it is an oversight, the industrial inspector can use his or her discretion in proceeding. However, if there are signs of deliberate attempts to avoid paying proper wages - where the employer has been trying to avoid his or her responsibilities - they will prosecute. The primary aim is to get money for the employee. Once the employee is reimbursed he or she usually is not keen about taking further action. The industrial inspector can take further action on the employee's behalf, but before action can be taken the inspector needs evidence that there has been a deliberate campaign to underpay.

Mr Kobelke: I appreciate the important role of the industrial inspectors, but unfortunately in this case the young workers who spoke to me were under the impression, perhaps falsely, that the industrial inspector or task force member who came to the site was taking the employer's side. That might be a false perception, but unfortunately they got that perception.

Mr KIERATH: Employees can get an industrial inspector in to work for them. Again, my advice would be that if they thought the industrial inspector was one-sided they should have contacted the chief industrial inspector and asked for a different or more senior inspector to investigate the matter.

However, I do not believe a member of the task force would have done that. There is a lot of confusion about the task force, which concentrates mainly on the building and construction industry. Although the member uses the words "task force inspector" I do not believe it would have been a member of the task force. It could have been an industrial inspector. Industrial inspectors usually go out to work sites.

Mr Kobelke: Will you check out whether it was an inspector or member of a task force?

Mr KIERATH: Yes. If the member had given me some idea beforehand I could have had that information available for him today. But I will endeavour to find out who it was and what the outcome was. If I cannot do it by commenting in the House I will do it in writing.

GRIEVANCE - CITY OF GERALDTON

Borders

MR BLOFFWITCH (Geraldton) [5.15 pm]: My grievance is with the Minister for Local Government on behalf of the ratepayers of Geraldton. Like many councils throughout Western Australia, the City of Geraldton is a doughnut-type council. In the early 1900s the town of Geraldton proper was the hub of commerce and of the settlement. It was surrounded by large rural communities until the former road board split up the area, dividing it into farming and city areas. That, of course, took place 60 years ago.

Today the borders around the town are inappropriately related to growth in those areas. For example, in the City of Geraldton, most of the land of the town has been built out; very little land is left for subdivision or development. As one drives into Geraldton one sees along the coast around Tarcoola the outlying areas - that is, the northern and southern coastal areas. Into the hinterland, towards the airport and Greenough, are the cheaper inland blocks. All of the growth in Geraldton has been in those shires. Over the past 20 years the rate base of rural shires such as Greenough and Chapman Valley has changed. They are now fast growing suburbs in the City of Geraldton and contain a lot of rateable land. One can well imagine the councils of Greenough and Chapman Valley thinking, "For once in our lives we are getting a decent rate base, so why should we give it back to Geraldton?" That is the case I want to plead to the Minister for Local Government.

As the City of Geraldton is located on the coast it provides most of the major facilities of the region. It provides the library, the hospital and the major recreation and sporting complexes. In the past 10 years the City of Geraldton has spent \$1.5m on foreshore development along the marina with no financial help from outlying shires. I must admit that even though I live in Tarcoola, which is within the Shire of Greenough, I use all the facilities of the City of Geraldton. I often think that my rates should go to the City of Geraldton rather than the Greenough Shire Council because it provides all the facilities I use. The only way to do that is to take a broader view.

It is interesting that the City of Geraldton has approximately 23 000 ratepayers and the Shire of Greenough has between 10 000 and 11 000 ratepayers. The population in the Shire of Greenough is increasing but that is not the case in the City of Geraldton. In those two local authority areas there are approximately 34 000 people, 12 councillors in each authority, two mayors and two shire offices. The City of Geraldton has a staff of 28 and the Shire of Greenough has a staff of between 18 and 20; that is, about 50 staff in the two councils. In most cases they are doing the same job and the offices are only five kilometres apart. There is duplication in road maintenance, graders, trucks and other equipment, and the rubbish collection service, and the people who suffer are the ratepayers.

I ask the Minister to consider the boundaries of Chapman Valley Shire Council, Geraldton City Council, Greenough Shire Council, Irwin Shire Council and Northampton Shire Council. If action were taken, the new town boundaries of the City of Geraldton should be reasonable to allow for growth. The economies of scale of a town with a population of approximately 38 000 would be greater and that is what the Government should be looking at.

I am envious when I see the Cities of Stirling and Wanneroo each with 200 000 ratepayers; even if they are broken up the new councils will still have 100 000 ratepayers. Geraldton will be battling to get between 35 000 and 38 000 ratepayers from any exercise that is undertaken. To provide the facilities and services, particularly the swimming pool, Geraldton needs a population of that order. The City of Geraldton has committed \$3m to a swimming pool while the Shire of Greenough has contributed \$300 000. People from both councils will use the facility, yet one council is bearing the brunt of the expense. It demonstrates the inequity in the two councils.

MR OMODEI (Warren-Blackwood - Minister for Local Government) [5.23 pm]: It is timely that the member for Geraldton raised this issue because the Local Government Advisory Board, which was established under the new Local Government Act as a statutory body to look at resource sharing and possible boundary change, is currently considering what are known as the doughnut councils in the Geraldton, Bunbury, Mandurah, Albany, Northam and Narrogin regions. A number of local authorities in Western Australia are suffering from a cut in federal grants and they have new responsibilities imposed on them by Australian Accountancy 27, activity based costing, infrastructure valuations, principal activity plans and strategic plans.

Local government has gone through an evolutionary process from the days of the roads boards to towns and cities. At the same time the boundaries in doughnut councils have become blurred through the extension of residential areas. It is opportune to review their boundaries in conjunction with neighbouring local authorities and to take advantage of resource sharing opportunities.

The Government, through the Department of Local Government, set up a structural reform advisory committee to look at not only boundaries and resource sharing, but also the efficiency and effectiveness of local government and the necessity for it to make sure the ratepayers are getting value from the dollars they spend on rates. The committee's report included 21 recommendations on the efficiency and effectiveness of local government. The recommendations on boundaries and resource sharing between the Cities of Stirling and Wanneroo and the doughnut councils were referred to the advisory board for its analysis. That is now happening.

On 4 September 1996 I asked the Local Government Advisory Board to inquire into the structural reform advisory committee's recommendation. The board is seeking approval to schedule the evaluations in three groups of two councils. I have approved the board's request to report by 30 September 1997 on the Albany and Bunbury regions; by 30 November 1997 on the Geraldton and Northam regions; and by 31 March 1998 on the Mandurah and Narrogin regions.

Many of the councils have already embraced the concept of resource sharing. For example, in some cases they share environmental planners, environmental health officers, plant, equipment and depots. This addresses the question of duplication raised by the member for Geraldton. These trends have emerged from the setting up of the structural reform advisory committee. Local government is aware of what has happened in other States through amalgamation - in many cases forced amalgamation - and changes to local government boundaries.

At the same time some councils are distrustful of or parochial towards their neighbours. Those councils do a disservice to their residents and ratepayers. They should be modern and effective local authorities and to that extent they should consider resource sharing and the proper spending of ratepayers' money.

A boundary change can occur only if the Local Government Advisory Board recommends that a particular proposal should proceed. As Minister I can only accept or reject recommendations; I have no power to amend them. If there were a major community backlash against a proposal for a boundary change, amalgamation or a resource sharing arrangement, the Minister would be unwise to accept the recommendation. If the Minister rejects the proposal, the status quo is maintained. The ideal situation is for councils to sit down with their neighbours and examine the opportunity for boundary change. Some local authorities are having productive discussions and I am sure the result will be voluntary boundary change and amalgamation. If that does not occur, it will be regrettable. It is time local authorities realised something must be done about boundary changes and resource sharing in this State.

In the past 30 or 40 years there have been six or seven inquiries or royal commissions which have all recommended changes. However, in the past no Government has had the courage to run with those recommendations. The reason is there has not been bipartisan support for that type of arrangement. I remind members of the saying that for as long as politics is involved in an issue commonsense will go out the window. I hope responsible local authorities in Western Australia will put formal proposals to the advisory board. It will take the decision out of the hands of politicians and put it into the hands of local government. I live in great hope that this will occur. As soon as two or

more councils act responsibly more will follow and the economies of scale the member for Geraldton referred to will be achieved.

In relation to Geraldton, the board will be talking to the City of Geraldton and the Shires of Greenough and Chapman Valley. I hope these councils will adopt a progressive approach and work with the board to achieve a positive outcome. If an agreement cannot be reached, the status quo will be maintained and that will not be in the best interests of the ratepayers of either the City of Geraldton or the Shire of Greenough.

The ACTING SPEAKER (Mr Ainsworth): Grievances noted.

MARITIME ARCHAEOLOGY AMENDMENT BILL

Second Reading

MR PENDAL (South Perth) [5.30 pm]: I move -

That the Bill be now read a second time.

This Bill reflects the involvement of the Parliament of Western Australia in a venture which has had important repercussions for the State's maritime archaeology and heritage. For more than 30 years divers and archaeologists have been engaged in the search for, and discovery of, those vessels which went down off our coast centuries ago, long before the world solved the mystery of the unknown south-land. To give the issue some perspective, barely 25 years from now this State will be in a position to mark the 400th anniversary of the sinking of the first-known of these ancient wrecks, the British vessel the *Tryall*, which foundered off the coast, near the Monte Bellos in 1622.

This Bill, which I hope will receive multi-partisan support in both Houses, has its genesis in the terms of reference of the Select Committee on Ancient Shipwrecks established by the Legislative Assembly on 3 November 1993. The committee was to inquire into, and report on, among other things, the possibility of incorporating the names of the discoverers of Western Australia's ancient shipwrecks into a register, possibly by way of an amendment to the Museum Act of 1959.

Such an unprecedented move - that is, to enshrine citizens' names in an Act of Parliament - was very much to the forefront of the motivation of the select committee and its establishment in 1993, which followed an earlier upper House Select Committee on the *Batavia* relics and which reported in 1992. There had long been the belief that the discoverers of the *Tryall*, which had been wrecked in 1622, the *Batavia* wrecked in 1629, the *Gilt Dragon* in 1656, the *Zuytdorp* in 1712, and the *Zeewyk* in 1727, had achieved wonderful things for Western Australia's and Australia's heritage. However, the view had also developed that these discoverers had been denied recognition by public officials, and perhaps even wider society.

The Select Committee on Ancient Shipwrecks, comprising the member for Victoria Park, Dr Geoff Gallop; the then member for Floreat and now Churchlands, Dr Liz Constable; the member for Bunbury, Mr Ian Osborne; the member for Fremantle, Mr Jim McGinty, and I, set out on a task of determining a number of difficult, related issues. These included whether any previous recognition had been accorded to discoverers; posthumous recognition; and other forms of recognition.

In its second interim report tabled on 2 June 1994, the select committee recommended that the Maritime Archaeology Act 1973 as distinct from the earlier-mentioned Museum Act be amended by way of a Bill sponsored by the select committee to incorporate into it, as the third schedule of the Act, a register of discoverers of ancient shipwrecks.

Subsequent to this, the committee's final report reinforced the view that the register should be created within the schedule of the existing Act. Thus members will find the proposed schedule contains the names of all those men and women who we believe should be recognised within the register.

These persons, in alphabetical order, are: Greg Allen, Harry Bingham, Tom Brady, Eric Christiansen, John Cowen, Graham Cramer, Max Cramer, Ada Drage, Henrietta Drake-Brockman, Hugh Edwards, Naoom Haimson, Alan Henderson, Graeme Henderson, James Henderson, Colin Jack-Hinton, David Johnson, John MacPherson, Neil McLaghlan, Bruce Melrose, David Nelley, Tom Pepper, Phillip Playford, and Alan Robinson.

The work of each has been of incalculable benefit to the State. In the case of the *Tryall*, the research skills of the eventual discoverers were put to the test because the Captain, John Brookes, falsified the records of the wreck, thus throwing people off the scent of its location for many years. Eric Christiansen's patient research over a six-year period in the 1960s, and the significant input from the late John MacPherson, led to the wreck's discovery.

The discovery of the *Batavia* in 1963 climaxed a fascination for many as far back as Malcolm Uren's expedition in 1938, and his book in 1944. Bruce Melrose's aerial surveys taken between 1957 and 1963 played another key part

in the eventual discovery, but he was pipped at the post by Max Cramer's party, prompting the select committee to observe that Mr Melrose "... played Scott to Max Cramer's Amundsen ..."

In the case of the *Gilt Dragon*, the committee found that the weight of evidence supported the view that on 14 April 1963, Graeme Henderson was the primary discoverer, together with James and Alan Henderson, John Cowen and Alan Robinson. I will comment more on Mr Robinson's role shortly.

The discovery of the *Zuytdorp* was by far the most complex story and I invite members interested in more detail to read the select committee's report. The key roles of the late Tom Pepper and Dr Phillip Playford are now acknowledged in a story replete with all the ingredients of a blockbuster movie, including some evidence that European settlement may well have occurred on the west coast of Australia 66 years before the arrival of the First Fleet on the east coast.

Finally, we have named six people who should be identified as the discoverers of the *Zeewyk*. Before the actual discovery of the wreckage of this ship in 1968 the approximate location had been known since 1840. The role played by the journalist, Hugh Edwards, one of the six, in turn allows us to acknowledge the positive role played by various media outlets over the years in stimulating public interest in expeditions and discoveries. They include *The West Australian*, the *Daily News*, the *Sunday Times* and TVW Channel 7.

Members looking at the proposed register will note that the name of Alan Robinson appears as a discoverer of two vessels. Including his name may go further than the report of the select committee of 17 August 1994 intended, but is by no means inconsistent with its findings. This should be explained further.

Both the *Batavia* Select Committee of 1992 and the Ancient Shipwrecks Select Committee of 1993-94 were very much driven by the earlier stated desire to recognise wreck discoverers for their unselfish and civic minded efforts which ensured that wrecks were protected and relics were retained in public ownership for posterity. Indeed, in the foreword to the August 1994 select committee report it was stated in the opening paragraph that one of the fundamental issues being addressed in the report was whether people should be rewarded for doing the "right thing" by society; that is, by reporting the whereabouts of, and protecting relics from, ancient shipwrecks.

In this regard Alan Robinson was seen by the 1993-94 select committee as presenting particular difficulties. Although he was involved in the discovery of a number of wrecks, his subsequent activities helped sour opinion against him. The select committee, nonetheless, acknowledged Mr Robinson as having given significant stimulus to the recovery of material from wrecks.

In the almost three years since the tabling of the final report of the select committee, a number of things have persuaded members of the former committee of the need to include Mr Robinson's name in the official register. First, it was never the committee's intention to "punish" Mr Robinson, or to diminish his role. Instead, it was our desire to set others apart for their exemplary behaviour. Second, members of the former committee generally take the view that it is one thing to have adversely reflected on Mr Robinson - as we were so inclined to do, with good reason, in 1994 - but quite another to give rise to perceptions that we might have been re-writing the history books.

Third, for my own part I was approached, as were some other members of Parliament, by Mr Robinson's daughter, Sandra, who sought to gain for her father the recognition she believed he merited. For some or all of these reasons, members have informally agreed prior to the introduction of this Bill that Alan Robinson should have his place alongside those others whose names will be enshrined in the Act.

Meanwhile, the great work of the divers and archaeologists continues. As late as only a few weeks ago, staff from the WA Maritime Museum discovered the resting place of the *Stefano* south of Ningaloo reef while on an expedition to find the *Correo d'Asur*, the Portuguese vessel which sank in the area in 1816.

For my own part, I am disappointed that the Government has not supported the recommendation of the committee for the establishment of a top level inquiry into early European presence in Australia to establish once and for all the facts about when and by whom Australia was first settled by Europeans. The committee saw this proposed inquiry comprising historians, prehistorians, scientific and Aboriginal groups whose task it would be to comb through the variety of documents which point to Dutch settlement in WA early in the eighteenth century. It is still not too late to undertake such a new and exciting study, something which could in fact be this State's contribution to the one-hundredth anniversary of Federation, or coinciding with the approach of the new millennium.

Meanwhile, the passage of this Bill will forever be its own tribute to many men and women who have helped put Western Australia to the forefront of the world's maritime archaeological movement. It may also be an encouragement for others to follow their lead. I commend the Bill to the House.

Debate adjourned, on motion by Mr Osborne.

MOTION - ENVIRONMENT

Salinity

DR EDWARDS (Maylands) [5.44 pm]: I move -

That this House notes salinity is an extremely serious environmental and economic problem in Western Australia and condemns the State Government's lack of action in addressing the problem.

On 11 November last year, three days before the state election was called, the Government released the long-awaited salinity action plan and declared war on salt. We were told it would be a 30-year war with total spending of \$3b. Rightly, the Government labelled salinity as the single most dangerous environmental problem we face. This launch three days before the election was called was accompanied by a lot of fanfare, handouts, kits, booklets and even a helicopter charter. We heard that various people were flown in by chartered helicopters to visit a farm in West Dale to hear the launch of the Government's plan.

Mr Cowan: You don't believe all you hear; you're too sensible for that.

Dr EDWARDS: I am inclined to believe the helicopter charters story - I probably heard the truth.

Mr COWAN: There was no mass transport of people in helicopters. There was a number of media craft. There might have been one on charter - it was not a mass transport.

Dr EDWARDS: It was not an army, just a minor effort!

The West Australian the next day carried a full page advertisement - this was two days before the election was called - telling us the nature of the problem and how the Government intended to tackle it. Rightly, the Government highlighted this serious environmental problem, but it made the most of the plan in a pre-election context.

I turn now to the magnitude of the problem. Over 70 per cent of Australia's dry land salinity is in Western Australia, so we have the bulk of the problem. In fact, 1.8m hectares of farmland is already affected; it is estimated that this figure will double in the next 15 to 25 year to 3.6m ha; and it is likely to double again before the problem stabilizes. Therefore, it is an extremely serious problem.

Also, water resources are affected by this problem. Half the State's divertible water is saline, brackish or of marginal quality, which is a big worry for a relatively dry area.

Salinity is also a significant environmental and biodiversity issue. For example, the CSIRO has reported that half of all bird species recorded in the wheatbelt have declined and some have disappeared. The salmon gums in the wheatbelt illustrate the problem. They are dying in many areas, partly because they have been preserved on roadways in infrastructure which is also under threat. Recently, I was horrified when local people pointed to some salmon gums in the eastern wheatbelt which were dying because a road was widened to make a bus turning point. If they had moved the turning point to a different spot, the few remaining salmon gums on that stretch of road would not have been killed.

It has been repeatedly said that up to 80 per cent of susceptible remnant vegetation on farms could be lost if we do not take action to deal with salinity, and we could lose up to 50 per cent of remnant vegetation on public land in these areas. Therefore, farms and reserves are set to lose remnant vegetation, which is a serious environmental issue.

This is also an economic problem. Lost production through salinity already is in the order of \$1.4b, and we are told that the calculated yearly loss in agricultural production through this destruction is \$64m. I know from visiting various farms, that when 5 to 20 per cent - in one case, it was up to 30 per cent - of a farm is affected by salinity, the farmer's livelihood, the environment and the towns near the farms all suffer.

I now turn to the physical infrastructure. I read of a survey of 20 shires in the Avon region of which 13 have salt seeps in their towns; so 13 towns are physically affected by rising water table. I was told at Kellerberrin that the hotel cellar had to be pumped daily as a result of water seepage from the rising water table.

Mr House: That was Kellerberrin?

Dr EDWARDS: Yes. The problem is found at Merredin as well. The CSIRO stated that the ground water at Merredin will be two metres from the surface in 25 years' time unless some drastic action is taken. I am aware of the focus on that town and the planning under way, and I hope this will reverse that problem; otherwise, the physical structure of that significant town will be destroyed, which would be a tragedy for residents and the surrounding areas. Salinity wreaks a kind of silent destruction. If it is left unchecked, we could see up to 30 per cent of viable farmland disappear, which would be a huge loss for Western Australia. All members of the House would agree that salinity

is the State's number one environmental problem and a serious economic problem. However, we will not agree on what is being done to tackle the problem.

On 11 November last year the Government made the spectacular election promise that \$3b would be spent over 30 years in a warlike strategy campaign to fight salinity.

Mr House: I am interested to hear when you reach the point in your copious notes containing the dissertation on what you did in your 10 years in government. Let me know when you get to that point, as I will listen with interest. These problems have been around for a long time.

Dr EDWARDS: That point pales into insignificance: The Minister has had well over four years in government, so his argument starts to loose currency. The Minister should acknowledge that when the salinity plan was released, the Opposition gave the Government a lot of credit - it believes that this should be a bipartisan issue. The Opposition gave the Government six months to see what action had been taken with the plan, and it went through the budget estimates with a fine-toothed comb. However, what was promised and what is being delivered do not match up. The Minister has much to answer for, as he knows all about the problem as the Minister for Primary Industry.

Mr House: We are delivering a lot more than you did in government - you did nothing.

Dr EDWARDS: The Minister should listen and he would learn how he is delivering. That is nonsense.

The Government said when it released its salinity plan on 11 November last year that it would commit an additional \$3b to fight salinity and would lift the current anti-salinity funding to \$58m per year. It said also that in negotiations with the Federal Government it had asked for \$30m per year and had received a promising response. Page VIII of the salinity action plan states that this means an investment of \$100m every year for 30 years, and that the State and Commonwealth Governments' investment in controlling salinity will exceed \$85m per annum, with much of the funding being directed to on-farm activities. That promise was spectacular and good. It promised leadership, funding of \$100m per annum, and that all the money would go to the people on the ground. Unfortunately, what transpired was far from those promises.

The approach to the Federal Government was highlighted in the Premier's media release. It was also mentioned in the full page newspaper advertisement, which said that the negotiations had met with an encouraging response. However, it soon became apparent that this might not be as promising as the Government had thought. For example, in the Senate Environment Estimates Committee on 27 February, in response to a question about the status of the salinity action plan, Senator Robert Hill, the federal Minister for the Environment, said that he had seen documentation with regard to the salinity action plan but he believed it was in the context of a state election campaign. He pointed out also that in that document the State Government was "expressing hope that the salinity action plan might be supported by the Commonwealth through the National Heritage Trust". It disturbs me that the federal Minister for the Environment did not know, so long after the state election, more about what Western Australia was trying to get from the National Heritage Trust. He did agree that salinity was a serious problem, but it is clear from those answers that at that stage there was not, and there probably never was, any commitment of that federal money.

On 22 May, when the National Heritage Trust was launched, no new money was provided for Western Australia. Most of the money that came from the National Heritage Trust on that date went to CALM for programs that were already underway. I am concerned that the National Heritage Trust will just shift money from the Australian Nature Conservation Agency into programs that are already set up and that no money will flow to the areas where it is needed, such as the salinity action plan.

The Premier's response to this was alarming. He is quoted as saying that the State's biggest environmental problem, the salinity action plan, will fail without federal government funding. I was interested in the Minister for Primary Industry's comment in the Estimates Committee that he now thought that we would not get as much money from the National Heritage Trust as we had first thought. I know that the State Government has submitted a 21 page plan to the Federal Government. However, my understanding is that the Federal Government and the National Heritage Trust are very concerned that we are not addressing biodiversity, and at this stage they are not inclined to give us the \$30m on which we are relying. Whatever else is said, in the first funding round we missed out. The blame must come home to roost with the State Government, because it did not try hard enough to impress upon the federal Minister the seriousness of the problem.

We were told repeatedly that the \$1m of additional funding for the salinity action plan would flow through in the 1996-97 state Budget. An amount of \$1m is hardly enough to start a \$3b, 30 year war. Where did that money go? If the Minister has the information, I would like him to tell us what was the cost of the launch, what was the cost of the advertisements, and what was the cost of the small amount of helicopter charter. If, as has been rumoured, the

cost was around \$400 000, half of that new funding for that financial year, which was then only a month old, had been spent without anything being done to tackle salinity.

We know from the most recent Budget that \$5m of new money will flow to the salinity action plan for 1997-98, and that is divided between CALM, Agriculture Western Australia, the Water and Rivers Commission and the Department of Environmental Protection. I am concerned about the redistribution that is taking place within those agencies to make it appear that more money is going into tackling salinity. We have been told that in CALM, \$3.3m will be redistributed, which is more than the \$2.435m with which it has been provided from the consolidated fund. Similarly, Agriculture Western Australia will get around \$1m, and about \$1m has been redistributed. What does that mean?

We were told in the Estimates Committee that CALM will sell off land, in particular land along the Blackwood River. The Blackwood River is one of the most salt affected rivers in the State. It has a huge catchment group, which has managed to attract a large amount of funding and is doing excellent work. To hear that CALM is selling off land along the Blackwood River makes the mind boggle. We will be watching closely to see what land it is selling off and what its future use will be, because we hope that any future use will be directed towards preventing salinity rather than making it worse, which is a possibility.

Mr Masters: What parts of the catchment - upper or lower?

Dr EDWARDS: I do not know. It is not spelt out in the answers to questions that I have asked.

We were told also that CALM will sell off interests in plantations. That has been proposed for a long time, and I do not have any comment about that. However, it became apparent in the Estimates Committee that the farm forestry budget is the major plank of the salinity action plan. The salinity action plan events in this Budget use the magic words "phasing in of the funding". We are told that we will get only a small amount this year but more funding will be phased in. My dilemma is that for six years, only \$36m of new money will be allocated specifically for salinity. That is not enough, and it certainly is not what the Government promised.

My first concern is that CALM intends to plant maritime pine in suitable areas as part of its farm forestry program and as its main input into tackling salinity. The farmers to whom I have spoken are quite suspicious about that. My second concern is that maritime pine will not contribute to biodiversity in these areas, and it probably will not help this State to attract the federal funding that is needed to tackle the problem properly. My third concern is that CALM has made it clear that its program to reduce debt will be diverted. In the past it has said that its debt problem will be resolved by 2003. It is now talking about 2010 and possibly even 2015.

Sitting suspended from 6.00 to 7.30 pm

Dr EDWARDS: When the Government released the salinity action plan and announced the war on salinity, we were all invited to be on the winning side. I must admit that in retrospect it seems a very smart political move, given its timing. However, the result was that the Government created a very real expectation that \$3b would be spent and, furthermore, that \$100m would be spent annually directly on fighting salinity. The \$100m was to be made up of \$30m from the State, \$30m from the Federal Government and \$30m which the Government spoke of as being private money. Whether that money was already being spent on farms or whether it involved people coming in and planting plantations or farmers doing more work is a little unclear. If we look at what has happened so far, we see the Federal Government initiative has failed. We do not see the \$30m from the Federal Government, and it is unlikely that we will see as much as \$30m anyway. We must remember that the Government is asking the National Heritage Trust for \$30m a year for 10 years for salinity and then a further \$25m to protect water courses, rivers and wetlands. That is a lot of money on an annual basis for one State.

The State Government has also a long way to go. For this Budget to have only \$5m of new money for such a serious problem and for what was really one of the major election promises is a disgrace. When we talk about money being directed and phased in, where is the redirected money coming from? The logical next question is what programs are being cut so that money can be redirected. We all know that most departments state that they do not have enough money to do all the tasks that they want to do. To redirect money for the very good cause of salinity means that other programs must be cut. We are curious to know which they are. We also want to know what the Government is now calling fighting salinity. The Department of Environmental Protection will spend \$40 000 this financial year fighting salinity and next year that figure will increase to \$100 000. That is a good initiative because that is the only area where there is new money. Undoubtedly the programs that were being conducted by the Department of Conservation and Land Management, Agriculture Western Australia and the Water and Rivers Commission are still being done but they have now the label "salinity" across them, whereas previously there would have been some other label, such as working the catchments or planting. We all agree that more money must be spent on salinity.

We also agree on the need for integrated agricultural systems. We are very keen that farm forestry fits in with what is already going on literally on the farm. We should be integrating it rather than targeting whole farms to become wall to wall plantations. The program can be implemented in quite a creative way. It autumn this year I visited a farm just north of Doodlakine which was badly affected by salinity. The couple who run it had planted 85 000 trees in strips which were wide enough for them to drive their machinery up and down so that they could still crop the land. It was a very interesting variation on alley farming, and certainly one of great magnitude. Such innovations should be happening. I hope the Government will continue to encourage them.

I was recently contacted by a farmer from the south west who told me that a real estate agent had been driving around his area asking farmers if they had large tracts of land to sell for forestry. Obviously, with large tracts of land, forestry is not integrated agriculture. When that happens there is a real risk that the management of land will go to someone who lives outside the area and will not spend any money in the district. Many of our country towns are now quite small. We must make every effort to ensure that people continue to live in them, that their children want to remain in them and that they have the services to make them attractive places in which to live. Fence to fence plantations or huge tracts sold off to people whom the local people would regard as foreigners is not part of the answer. Generally the salinity action plan is a document to be commended. However, it is a pity it never went out for public comment. It is quite clear when one talks to people whose land is affected by salinity that although they have some admiration for the plan, they do not feel connected to it. They do not feel that they have had an input or that they have ownership over it.

Salinity is not a new problem; it has been with us for a very long time. We seem to have had great difficulty in avoiding it and managing it. I was interested to read an article by the chief executive officer of Agriculture Western Australia in which he wrote that salinity was recognised around Northam and Toodyay in 1897 - a hundred years ago. It is certainly not a new problem. Apparently, in 1907 salinity was noted near Mundaring Dam because trees in the catchment of the weir had been ringbarked and salinity and saline waters had increased as a result. Therefore, over a long period various individuals have recognised the problem but it has been very difficult to coordinate a strategy to tackle it. It is disappointing then that when we were promised a strategy and a plan to tackle the problem in an integrated way, the plan has not been matched by money flowing through in this Budget. When the Premier released the salinity action plan, he stated that we had reached a stage where a delay of one year in fighting back would add two to three years to the time needed to beat the salt menace. Those are very strong words. Given what he was saying on the day, they are fighting words. My difficulty is that in the recent Budget and the action we have seen in the last six months the rhetoric has not been matched by action. We have seen nothing like \$30m per annum of new money poured into fighting salinity. We have come nowhere near the \$100m that was promised in the salinity action plan. I believe everyone in this House will agree that this problem is extremely serious and must be tackled with some urgency. I hope all members agree that the Government stands condemned for its lack of action in addressing this extremely serious problem.

MR McGINTY (Fremantle) [7.39 pm]: During the past few weeks, as a result of the Estimates Committee proceedings of this House and of the Legislative Council, for the first time I have gained an insight into what now appears to be a hoax perpetrated upon the people of Western Australia in the days leading up to the calling of the 1996 state election. It is quite clear that the proposed expenditure on the salinity program of \$3b over 30 years - in very simple mathematics that comes down to \$100m a year - will not be achieved. Let us look at what is to be provided in the coming financial year; that is, 1997-98. The figures we gleaned during the Estimates Committee showed that, from the commitment of \$100m to be spent each year, a total expenditure of less than \$10m is provided for this year in this State. I appreciate that for the first few years there is a certain element involved in getting the project up, leading into the full expenditure of \$100m a year; however, to end up with less than \$10m in the first full year of its operation is indicative of the extent to which this is a hoax - and it has been revealed as such.

Some information gleaned from the Department of Conservation and Land Management during the Estimates Committee showed that \$5m of additional funding is provided in this year's Budget, which is broken down through consolidated fund allocations to different departments. Of the total \$5m of new money which is to be spent during this year, the Department of Conservation and Land Management was given \$2.435m; \$1m went to Agriculture Western Australia; \$1.4m went to the Waters and Rivers Commission; and \$100 000 went to the Department of Environmental Protection. In addition, an amount of \$4.5m is coming from CALM, in particular, but also from other agencies by a redistribution of the agencies' existing resources. From CALM \$3.3m has been freed up basically as money coming from a restructuring of the debt and declining interest payments; \$1m is coming from Agriculture Western Australia; and \$200 000 from the Water and Rivers Commission. Taking \$4.5m from a redistribution of the agencies' existing resources and a \$5m contribution from the State, we end up with \$9.5m during the first full year of the salinity strategy in Western Australia, by comparison with the \$100m that was promised.

I could accept that if we were talking about one-third, one-half or three-quarters of the total figure, it would be a genuine attempt to achieve the expenditure of \$100m a year identified as necessary to be spent every year for 30 years

to deal adequately with this problem. I do not accept \$9.5m - half from reshuffling money around in the departments, much of which would have been spent on that sort of work anyway, and a \$5m additional allocation from the Budget - is a genuine attempt to match the vision and commitment that was given last November.

It was proposed that approximately one-third of the funding would come from the State Government; one-third from the Commonwealth Government; and one-third from the private sector. Of course, we have not seen a cent from the private sector, nor have we seen a cent from the Commonwealth Government. In fact, the submission from this State to the Commonwealth for funding for the salinity program did not meet with success in this financial year, as the member for Maylands has indicated.

During the Estimates Committee a question was put to the Minister for the Environment. We asked what stage we were at regarding the seeking of money from the Commonwealth Government. Here we were talking of the National Heritage Trust, which has received \$1.249b to be spent over five or six years throughout the length and breadth of Australia on appropriate projects. We asked this question: "To give us a sense of how far it is progressing, is the Minister confident she will achieve \$30m a year from those sources; that is, the Commonwealth Government?" The answer was that, because it is dealing with the whole of Australia, the Federal Government has not indicated how much of the pie Western Australia will receive. It seems to me that in those circumstances, in the days leading up to the calling of the state election, to talk about \$30m a year for the next 30 years from the Commonwealth Government was at best wishful thinking, at worst downright fraud perpetrated on the people of Western Australia. It is of some interest that not one cent is to come into this program in its first year from the source that is to provide one-third of the funding over the life of the program.

I will touch on another issue relating to this matter. Without doubt, this is the most pressing environmental problem facing the State. It warranted the sort of program outlined by the Premier last November. It is a pity that was pre-election rhetoric and now we are dealing with post-election reality. It seems to me that the vision and enthusiasm has evaporated into a budgetary allocation this year of a mere \$5m of new money going into this project.

A very significant amount of the money to be provided to this program each year is to come from within the resources of CALM. When we were before the Estimates Committee in the Legislative Assembly this issue was pursued at some length. A number of comments were made by either the Minister or the officers from the Department of Conservation and Land Management. I will deal with each of the comments in turn. The first comment was a statement from CALM on this issue in which Dr Byrne stated -

Our current level of debt is about \$19m and it is costing us about \$4m in principal repayments.

That must be contrasted with the statement made a week later in the Estimates Committee in the Legislative Council by the head of the department when quizzed on the same subject on 28 May. Dr Shea stated -

We anticipate that our debt will be down to \$30m by 2003 to 2005 . . .

Obviously there is some inaccuracy in the figures that have been provided. Let us look at how CALM intended to provide what will amount to \$18m in each and every year for 30 years. We were told CALM would be "debt free by 2003". The Minister and the department used that slogan. Because the department was to be debt free by the year 2003, it would be able to put the money that would have been spent in debt servicing into the salinity program. That is the way this proposition was put to us. However, when this matter was subjected to some scrutiny in the Legislative Council Estimates Committee, it became quite clear that CALM's contribution to the salinity program would be funded by the maintenance and creation of debt, not by money freed up from restructuring and repaying debt.

People should have been made aware that CALM would not be debt free by 2003. In the Estimates Committee on 28 May Dr Shea estimated that CALM's debt would be eliminated possibly by as late as 2015, 12 years later than otherwise would be the case. That debt will be maintained to provide funding for this project. I do not raise a particular objection to the notion of CALM remaining in debt longer in order to redirect its resources into this most pressing of matters. However, I object to the dishonesty of people pretending it is otherwise. If people are upfront and say, "We will go into debt or maintain a debt that would otherwise be paid in order to pay for the salinity program" at least that is being frank, open and honest about the matter. It is a pity when the Estimates Committees of the Parliament must be used to disclose an untruth and to reveal to the public the true state of affairs; that is, the major state contribution to the salinity program will be by means of a debt arrangement within CALM.

It is proposed that the State will provide \$10m a year of new money. However, the vast bulk of the balance of the funding will come from CALM, which will provide \$18.1m every year from money it would otherwise use to retire debt or moneys which would be freed up from the retirement of debt. How will CALM pay for that? Already we have seen a slipperiness in CALM's accounting and the explanation of the figures that it has used here. That slipperiness was further illustrated in the Estimates Committee where a simple question was asked of the Minister:

What assets will CALM sell in order to apply the proceeds to the reduction of debt that will free up an extra \$18m each and every year - money that was currently used in servicing debt? CALM was asked to identify what assets would be sold to raise that amount of money. We are talking about selling tens of millions of dollars of assets to free up \$18m worth of interest savings. I was disappointed with the response from the department. We were led to believe we would receive from the department a list of assets that CALM had identified for sale. However, the answer which came back by way of supplementary information is this cursory brush off from the department -

CALM is undertaking a review of all assets in its asset register, to identify assets that should be sold. Freehold land is the main asset, particularly in the Blackwood Valley. CALM's financial interest in some bluegum plantations is also being considered for sale.

That is a contempt of this Parliament and its processes, and a denial of accountability. If CALM can specify \$18.1m that it will free up by means of asset sales and therefore debt reduction, it should be able - at least in respect of this year and maybe the next four or five years - to identify the assets it is proposing to dispose of. I suspect it is a political hot potato and CALM does not want people to know, because there will be criticism of CALM, particularly in respect of the Blackwood Valley but also in flogging off its assets in what can be sensitive areas. I am critical of CALM's refusal to be open and accountable. I am disappointed that, having explained that it would be selling an enormous amount of its assets to fund the salinity program, CALM holds the Parliament in sufficient contempt to not want to tell us what it is doing. I hope that during the course of this debate we will hear from one of the Ministers what assets CALM is proposing to dispose of to fund this program. It is not good enough to treat this Parliament with contempt when a clear request was made to identify the assets that CALM would sell and we get back a whitewash and vague generalisation.

I support this resolution. It was with great hope that everyone in this State looked forward to a real assault on the salinity problem, which we all identify as being the greatest environmental problem confronting the State. That was in last October-November. The whole thing has now evaporated, and not even lip service is being paid to it any more. The department is now trying to juggle figures, trying to pretend things are different, and getting a bit of smoke and mirrors in on the act. At the end of the day we will see very little, if anything, done in the fight against salinity. For that reason I am happy to support this resolution. If nothing else, I hope it will bring home to the Government that this is a serious matter. It requires more than a pre-election stunt, which unfortunately is what we have been given on this occasion.

MR PENDAL (South Perth) [7.55 pm]: I regret that I must vote for this motion. If the Government's performance had been consistent with the policy on which it won office in 1993, such a motion would not be needed. That is not to say that within a four year period one would have seen any sort of miracle wrought on the problem in Western Australia, and certainly no miracle in the problem area of the south west land division and other inland areas of the State. The four years from 1993 through to 1997 will go down as the years of lost opportunity in Western Australia in the fight against salinity. If it does not mix metaphors too much, I put to the House that it will be the four years of a black hole in a nonexistent fight against salinity.

Notwithstanding the Premier's remarks immediately prior to the 1996 state election, the State should not have relied on massive commonwealth funding. Right from the start the coalition envisaged that the extra funding required could be generated within Western Australia. That was laid out clearly within the Fightback WA document that was released in January 1992, a year before the state election. That gave a clear and detailed understanding of how the long fight against salinity would be tackled in the first four years of a coalition Government. It is interesting today to read that 1993 document. In a way we have the wrong Minister in our sights tonight. It is the contents of the environmental document, and therefore the inaction of three Ministers for the Environment since then, that has undermined that salinity commitment from 1993. If one reads the document today, one will find in the first couple of pages that salinity was regarded as the number one priority of a coalition Government. It was not something that was down the path, that was devalued to tenth or fifteenth place; it was regarded as the top priority. I ask this rhetorical question: Is the Blackwood River any better off today than it was five years ago when those promises were first made?

Mr House: Yes, absolutely, and I will tell the member for South Perth why. The Blackwood catchment group have done a terrific job.

Mr PENDAL: We are not talking about whether the Blackwood catchment group has done a good job. People like David Read and others did valuable work. I do not know if they are still involved. That was without the commitment by the coalition in 1992-93. That was a massive effort - we called it a historic effort - to turn back the salinity problem within the Blackwood River. It was to be held up as some sort of beacon for the next 50 years to show not only Western Australia but also the rest of Australia what could be done. With the greatest of respect to the members of the catchment group, it would take much more than their individual efforts, notwithstanding that they were motivated by the best of intentions.

For those who have forgotten, the salinity level of the Blackwood River had trebled in that 50 year period. Notwithstanding the interjection of the Minister, I submit that in the broad the Blackwood is no better off today than it was then. It has as many problems with salt as it had five years ago when the promises were made. The situation might even be getting worse. For example, if the nutrients that will enter the Scott River from a variety of new industries are not handled correctly they will end up in the Blackwood River. Admittedly it will not be a salinity problem but it will be a nutrient problem and will further retard the health of that magnificent river. Therefore, I repeat that if we have not seen any discernible improvement in the health of the Blackwood in five years, the Government and three successive Ministers for the Environment will stand condemned for not implementing the promises that were made by the coalition on the eve of the 1993 election. It was a very good policy.

My complaint tonight is to the Minister for Primary Industry. It is a shame that we have not had involved in this debate the Minister for the Environment in whose portfolio these real commitments were made for the policy between 1993 and 1997. I am sorry to say that the Premier added insult to injury when he announced on 8 December last year that he had reinvented the wheel. I could read that announcement into the record but time does not allow that. On the eve of the 1997 election the announcement repeated all the things that were said in 1992 in the Fightback document and on 13 January 1993 in the environmental document. Back then, salinity was costing us an arm and a leg, for other reasons as well. I estimate that today it is costing probably around \$100m a year. It degrades our water supplies and takes land out of production. It affects the flora and fauna and it has a heap of other downsides.

The money that the coalition was looking to invest was a very good investment even if one were the harshest of the harsh economic rationalists. It was attempting to fix over a 50 year period a problem which at this stage is costing at least \$100m in side-effects. Even for a person not interested in the environment or land care, a person who saw only the dollars and cents sign, it should have been enough encouragement to say that whatever we put in to the commitment made in 1993 we would reap the rewards probably ten-fold. To that extent, it is regrettable that we have had to move such a motion tonight. However, whatever progress we have made, we have seen the progress at the periphery. That is not to denigrate the efforts of the people who have been mentioned by way of interjection by the Minister for Primary Industry. It was not an addendum to coalition policy. It was not an afterthought. It was the very core, the genesis of the coalition's attitude to land care and environmental priorities. It was spelt out in very clear detail. I regret that the commitment has not been implemented. It will be to the eternal shame certainly of the first two Ministers for the Environment the Government appointed that they did what their predecessors in other Governments did. They allowed themselves to be diverted by silly issues such as duck shooting and side issues that were not central to the environmental theme. The result was four lost years of opportunity, and in those four lost years the salinity problem has been as bad as ever. For those reasons, I regret to say that I will be supporting the motion.

MR HOUSE (Stirling - Minister for Primary Industry) [8.06 pm]: Western Australia has been settled for a little over 150 years. The bulk of its agricultural land has been progressively cleared in that time. The statistical information indicates that a large area of the land now farmed for agricultural purposes has been cleared in the past 40 or 50 years. Therefore, in the first 50 or 60 years there was not the extent of clearing that has occurred in the 50-odd years since World War II. There are a couple of reasons for that.

Salinity is a very serious issue. As previous speakers have said, it has cost this State dearly. All my life I have been involved in agriculture, with people who work the land and with the battle against salinity in one way or another, as part of an agricultural community that has been affected by it ever since I decided to take up farming as an occupation. It is very clear to me that we have a very serious problem in Agriculture Western Australia. Salinity continues to take more hectares every year than we manage to reclaim from the problem. They are the facts. They are indisputable. As previous speakers have said, salinity also costs us dearly economically.

I have seen some excerpts from John Forrest's diaries. In his exploratory travels he traversed some of the land in which I have an interest. The diaries talk about saline pools in the streams and tributaries along which he travelled, namely the Pallinup, Bremer and Gardner Rivers, down into the King and Kalgan areas. He mentioned the saline deposits before the land was cleared. Salinity is not new to Western Australia. To a certain extent we have always had the problem. If one travels through the uncleared land in some parts of the State, particularly in the south west, one can see saline deposits along the edges of the streams and tributaries running through the forests. In many areas it occurs in a fairly natural state. However, without question the clearing of the land has exacerbated the salinity problem. When it was first cleared, much of the land was very productive and showed no signs of salinity, but it is now suffering from the effects of salt encroachment. Many people seem to hold the view that government can solve this problem by throwing money at it. As one who has dealt with this issue practically, I can tell members that that is not the case. It does not matter how much money government throws at this problem, government will not solve it. Government can assist in some ways. It can help with some of the hydrological work and it can assist in the methodology - I will return to that matter - but it certainly will not solve the problem. The problem will be solved by active people; people who own and work the land and people who form themselves into groups that work with

government agencies to put into practice some of the things we know will help to at least arrest and then, it is hoped, reverse this problem.

Salinity is a simple equation: It is caused by a rising watertable, and as the watertable rises, the land turns saline. In order to reverse that process the watertable must be lowered. How do we go about lowering that watertable? There are many ways to do that. This Government has encouraged integrated tree farming. I agree with the member for Maylands that planting large tracts of land with blue gums or pine trees in bulk lots will not solve the problem. As Minister for Primary Industry I established a farm forestry group. The group and I have encouraged farmers and investors to integrate tree farming with other agricultural pursuits. That will achieve two things: It will increase diversity for farmers who farm that land by eventually giving them an income from the timber production; and, as a result of the lower watertable, if they plant the land that may go saline, it will stop the salinity occurring also.

There are many other methods to assist farmers with information about how they can help to solve the problem. Agriculture Western Australia has developed a model for ordinary cereal cropping. It is well known that if farmers practice early planting of their crops, not only will they get increased yields, but also the available water will be used in a better way. The water is used by the cereal crop, and there is financial benefit to the farmer, but the water does not disappear into the watertable and then appear in other parts of the landscape to cause a salinity problem. That is simple, but Agriculture Western Australia has encouraged farmers to follow that model in an integrated system.

Equally, much work and effort has been put into land drainage. In many areas we have assisted farmers with drainage work that takes the saline water away down the streams and rivers where it would have gone and allows the land from which it was drained to be saline free. I admit there are a few problems with that because in areas where the rivers are barred - in other words, where the mouth of the river closes in summer - we must be careful that we do not increase the salinity problem in the river. In a number of instances farmers have drained into existing salt lakes, for example, using that method. People can do a range of things to reduce the amount of water that goes into the profile of the soil, such as integrated tree cropping, cereal crops, better pasture use, or draining the water away down natural water courses to ensure it is used and is a benefit rather than a problem to the farmer.

How will Agriculture Western Australia facilitate some of those things? Through our programs we have divided the State into six regions based on geographical information. In those regions we have instructed our people to work closely with the land conservation district committees, catchment management and other groups so that all our programs are aimed at using water to the best possible advantage. Whenever our people develop programs with farmers, they talk to them about how they use the water so it does not produce a salinity problem in the future. Agriculture Western Australia has also increased by five the number of hydrologists who work with the agency. They are spread across the State, giving farmers hydrological advice about the level of the watertable in their regions so they may tackle the problem. One of the problems of salinity is that although it often appears at the bottom of valleys and in the lower lying farmland, in many cases it is caused by insufficient water being used by farmers further up the valley profile. A cooperative approach is required to achieve the best possible result for those affected.

The member for South Perth mentioned the Blackwood River. The Blackwood River is probably the best example in Western Australia of people working together to solve a problem. Few people who use the delights of the Blackwood River between Bridgetown and Augusta where it enters the sea would realise that the upper reaches of the Blackwood catchment are just to the north and east of Dumbleyung. I estimate that is about 500 kilometres. The water from the farm of Owen Dare, a Dumbleyung resident, drains down the Blackwood and therefore affects all the people further down that profile.

I compliment my former federal colleague Bob Collins, who was the federal Labor Minister for Primary Industries since I have been the state Minister for Primary Industry. He cooperated with the Blackwood catchment team. We put a proposal to Bob Collins. The Commonwealth contributed over \$2m. He visited Katanning and looked at the work that was being done. He met the people there and supported what they were doing. Bob Collins, like many others, saw that group as an example of what could be done in other parts of Australia.

Another part of the effort we have put in as an agency was to look at the work of Geoscience Field Surveys Pty Ltd. In just the past week or so Agriculture WA has been able to secure from the Federal Government two amounts of funding totalling \$500 000. Geoscience is involved in a mapping technology that is new for agriculture, but that has been used previously in the mining industry. It provides a photograph X-ray of the soil profile for several metres below the surface of the soil. By that method it has been able to determine dykes in the under-soil profile that restrict the movement of water under the surface. Where the water hits those dykes it has been coming up to the surface and causing a salinity problem.

Experimental work was done the year before last at Broomehill with a group headed by an energetic and innovative farmer, Marty Ladyman. The group involved about a dozen farmers who worked together to try to resolve the problem. The Government gave them a small amount of help. That work provided a model that could be applied

to other parts of the State. None of those things alone solves salinity. All of us involved in agriculture in Western Australia have used a combination of the methods I have mentioned. Many additional steps are taken today, such as the normal contour draining of the land. Many of those measures that suit one area perhaps do not suit another. People build WISALT banks, the brainchild of Harry Whittington who developed a method he believes works. Some say it works and others say it does not. Some measures that work in one area may not work in another and so on. People must be prepared to put together a combination of the treatments they know of, and use the advice available from agencies such as Agriculture Western Australia. It has dedicated officers who have done good work in cooperation with landowners and farmers to help resolve problems as they appear and, I hope, arrest the problem before it reaches the stage it has reached in some parts of Western Australia.

Much of the area cleared after World War II has become saline in the last decade. Much of that land is known as the mallee area which was not cleared before World War II because the trace elements needed for viable farming land were not available on that land. It was cleared in large areas by bulldozers and chains, and sometimes by tractors and chains. Much of it contained poison plants and because of that in many cases it was cleared without leaving nature strips, and without regard for the topography or the natural drainage areas. Many of the salt affected areas in Western Australia have mallee soils. There is no way one can set up an economically viable tree farming operation in those parts of the State because in most cases the rainfall is less than 16 inches a year, and in many cases it is between 10 and 12 inches a year. Trees such as blue gum simply will not grow in those areas. It is no good talking about planting timber for a return from timber production on that land because that is not possible. Other steps must be taken in those areas to reclaim the land and prevent it from becoming saline.

The Government has taken a number of steps. It has encouraged the planting of vegetation in those areas, and given a great deal of assistance through programs run by the state Soil and Land Conservation Council, which comes under my authority. In addition, the Government has provided \$6.5m over the past few years for a program to assist farmers to fence off remnant vegetation. That program will continue. Not only is that remnant vegetation protected along with the animals and birds on that land, but also it is linked to the trees farmers are planting to provide an integrated system. That helps in a positive way and that system, along with the state revegetation scheme that has been in place for some time, is administered by Agriculture Western Australia. When discussing this issue we must recognise the tremendous work and effort by volunteers who are not landowners but who work out of towns, for instance, along the south coast and in other areas. I am aware of a number of groups that give their time at weekends to help farmers plant trees on their land, assist them with drainage issues, and give technical advice. They are highly regarded in the great southern because of the effort and energy they put into those programs, much of it on a voluntary basis.

I am sceptical about Governments pretending they can solve problems such as this. I reiterate my comments at the beginning of this debate: The Government can assist by providing the framework and technical advice, helping farmers to access that information and encouraging voluntary groups, setting up legislation to provide the mechanism for land conservation district committee catchment groups, and providing peak bodies. However, at the end of the day it boils down to the energy and effort of people on the ground. It is a simple problem that needs real effort by those people and not simply by the Government and government agencies. That effort has been made. Those people need the assistance and I do not think that talking about dollars and cents will solve the problem.

This Government has established the state salinity council, chaired by a well regarded member of the agricultural community, Alec Campbell, who was previously president of the Western Australian Farmers Federation. He also sits on a number of national bodies that deal with land care. Under his guidance I am confident we shall pull together the efforts and energy of agencies and volunteers, and will look back in some years and recognise that this was the turning point and acted as the catalyst for beginning to solve these issues. I am sure nobody will pretend that what took 150 years to create can be solved in a matter of months or even a few years. It simply is not the case. Any persons who think that are kidding themselves. I think a 30 year time line is minimal. There may be some benefits within that 30 years and perhaps an arrest of the decline and recovery of some land, but it will take twice that time before real and substantial gains are evident in rural Western Australia.

I am disappointed that the member for Maylands has seen fit to move this motion, because I agree that a cooperative approach is needed. There is no question about that. The energy and effort of not only members of this Parliament, but all people in Western Australia are needed. In that regard I am disappointed that Federal Governments of both ilks - previous and current - have rejected calls from this State Government and previous Ministers for Primary Industry in Western Australia for more substantial tax deductions for land care. That is one way to leave the money in the farmers' pockets, to allow them to do the job. That is preferable to the Federal Government taking the money to Canberra and pretending to give it back to farmers in amounts of any value. That is not the case. By the time the money has been around the bureaucracy, the dollar the farmer gave up in tax looks like petty cash, certainly, Mr Speaker, to a man of your wealth and standing, and perhaps to others! Tax deductions are a substantive way of making an effort.

I am sure that most Western Australians recognise, as I do, the need for a cooperative approach to this problem. We must all work together, as landowners and catchment groups have, take the examples before us and use them in a positive way to resolve this issue. As a landowner, I am seriously concerned because I want my family to remain in the farming business in the generations to come. I am sure that applies to many people, not only in rural Western Australia but also in the metropolitan area and in other towns. The Government will oppose this motion, but I can assure the House that it will put together the greatest amount of energy and effort it can muster to assist those people taking positive action to resolve salinity problems in Western Australia.

MR MCGOWAN (Rockingham) [8.30 pm]: I support the motion. I listened to the Minister's interesting discourse on his experiences as a farmer in the south west and the issue of salinity, but he failed to address the central issue of the motion, which is the Government's breach of promise regarding its salinity program announced prior to the last election. I remember that announcement, because it occurred on the day the Government rejected an option to build a railway line from Rockingham to Perth. I thought at the time that a \$3b salinity program - of course, the Government promised it was properly funded - was a very good move to combat what is one of the highest priority environmental issues in Western Australia. What have we seen since? We have seen a watering down of the promise, and the Minister has not addressed that issue.

I feel sorry for the National Party in this respect because I know it regards itself as the protector of rural people. However, in conjunction with the Liberal Party, it has applied cost cutting measures to an area that should not be cut. It is extremely important not only to the environment but also to the future of our economy and of our State as a whole. Once we allow our land to be affected in this way and at the rate it is being affected - the rate is projected to double in the next 10 to 15 years - it will be an enormous problem unless we take some dramatic steps.

Of course, the Government has established the salinity action plan, and a document published by the Western Australian public sector sets out the agencies involved. The Government can set out all the agencies and plans it likes but, if the necessary money to carry out the programs is not provided, there is very little point in going down that track.

Prior to the election, the coalition's environment policy contained the categorical statement - not non-core or ambiguous - that \$3b would be spent on the salinity action program. The policy stated -

The State's contribution will be around \$58m per year to be phased in over three years.

If the contribution is to be \$3b, it obviously must be \$100m every year after that, but that is not happening. That is the central point of this debate and that is something the coalition must acknowledge. The National Party should do a bit of soul searching about that, because it is a direct betrayal of its supporters.

Mr House: Have a look when we vote and we will be on the winning side.

Mr MCGOWAN: The Government has made the promise and it must honour it.

Mr Cowan: You have totally misinterpreted the promise.

Mr MCGOWAN: The policy document says that the State's contribution will be about \$58m per annum, and it must meet the \$3b target over the next 30 years. Therefore, by definition, it must allocate over \$100m per annum after the three year phasing in period.

Mr Cowan: Now tell us the source of the contributions.

Mr MCGOWAN: The State's contribution will be about \$58m per annum.

Mr Cowan: Read where it is coming from; tell us the different sources.

Mr MCGOWAN: Funding for the program will be derived from a variety of sources, including asset sales of land and revenue from plantation timber. It is not in the Budget and the Deputy Premier must acknowledge that that is another breach of promise.

The arguments about the necessity for the program have been well expressed previously. The money is not there and the Premier has acknowledged that it is not. He has admitted in *The West Australian* that this program will fail unless it gets commonwealth funding, and that is in direct contrast to the promises made prior to the election. If the Government makes promises, it should honour them.

MR MASTERS (Vasse) [8.35 pm]: I oppose the motion. The member for Maylands constructively criticised the Government on this issue, and I commend her for that. However, I wish to raise a couple of issues, as much to enlighten her as the rest of the House.

The claim that the salinity action plan does not address the protection of biodiversity is incorrect. My background in environmental science, consulting and working for mining companies, local government and others allows me to advise the House that there are only two main ways to protect biodiversity: First, by protecting existing biodiversity as represented by vegetation, animals and so on; and, second, by re-creating a former biodiversity by rehabilitating areas that have been damaged or destroyed by past actions.

As pointed out by the member for Maylands, at the moment approximately 50 per cent of all remnant vegetation in the wheatbelt of Western Australia is threatened by rising water tables. The water tables are rising and picking up salt which is present in the upper part of the soil profile. Therefore, by the time the water gets into the root or surface zone of the remnant vegetation it is so saline that no vegetation, and certainly no native vegetation, can survive.

It is important to remember that fauna biodiversity is overwhelmingly dependent upon vegetation or floral biodiversity. For example, the honey possum of the south west coastal parts of Western Australia is totally dependent on banksia and other south coast heath or woodland plant species that produce large volumes of nectar. It must have a number of species producing that nectar throughout the year to survive. The survival of certain species of orchids is totally dependent upon the mating behaviour of several species of wasps. The important message is that protecting existing vegetation automatically means we will go a long way towards protecting the total biodiversity and, in particular, animal biodiversity. It is important to realise that if the salinity action plan earmarks the protection of all remnant vegetation in the wheatbelt - especially the 50 per cent threatened by the rising water tables - it will be a significant step towards protecting biodiversity in general.

There are three major difficulties associated with re-creating former biodiversity where it has been lost through clearing, salt or other major damage. The first and foremost is that it is far less efficient than protecting existing vegetation because it is more difficult to re-establish the original biodiversity; that is, the full range of plants, animals, insects, fungi and birds. Secondly, the re-creation of former biodiversity is very time consuming. The Minister has advised us, quite correctly, that it has taken us 150 years to recognise that we have significant environmental, economic, and land care problems in the wheatbelt as well as in other parts of Western Australia. Taking that example further and applying it to the re-creation of biodiversity, it is important to realise that if our biota has taken millions of years to evolve, it will certainly take more than only one or two years to re-grow, if we put money into re-creation of biodiversity. Thirdly, it is far more expensive to do a good job of re-creating biodiversity in areas where it once existed than it is to protect existing vegetation.

I will summarise this part of my comments by saying, particularly to the member for Maylands, that the salinity action plan protects or aims to protect biodiversity through general water level and salinity management in those areas that have been affected by rising and saline ground waters.

The message I wish to get across to the members for Fremantle and Rockingham is that it is important not to get totally fixated by the amount of government dollars being made available now for the salinity action plan. Throwing dollars at a problem may be a complete waste of time and effort if the targets are wrong or if they are of low priority. If the solutions are wrong - in other words, if the actions that the money is being spent on will not solve the problem - we are wasting our money. We must make sure that four things are in place on the financial side of this argument. Firstly, we must ensure that landowners are ready and willing to act - my belief is that they are ready in large parts of Western Australia. Secondly, we must make sure that the solutions are effective and efficient - here I have to say that we are still on a learning curve. A number of new techniques must be learnt. At a later time, I will inform this House about a visit last week by a Mr Peter Andrews, a farmer from Bylong, which is 200 kilometres north west of Sydney. He has reversed drainage on his 500 hectare farm. He is impounding fresh water on his property, which is totally contrary to that which is happening in so many parts of south western Australia. Therefore, we still have quite a deal to learn about overcoming our salinity problems. Thirdly, we must ensure that meaningful and efficient technical support is provided to landowners. I believe that is very much in place today. Fourthly, after those first three components are in place, then and only then should we provide the dollars needed to achieve the environmental land care and biodiversity goals that I am sure all members of this place want.

I assure members that in the electorate of Vasse, which has more than its fair share of environmental problems, landowners, including government agencies, are willing to act. However, they are still working on the correct solutions, as I pointed out a moment ago. To throw large sums of money at these people in the Vasse electorate, and I suggest elsewhere in south western Australia, would risk wasting a significant portion of those dollars because they would be trying to implement inappropriate solutions that do not work or work only in a half-hearted manner. I believe this Government is well and truly on track to achieving the 30 year goals as defined in the salinity action plan. Moderate amounts of money now with increasingly larger sums of money over the next few years is the way to go. While I agree that salinity is an extremely serious environmental and economic problem in south western Australia, the Government's actions at this time are entirely appropriate. For that reason I will be voting against the motion.

Debate adjourned, on motion by Mr McNee.

MOTION - WESTERN AUSTRALIA POLICE SERVICE*Allegations of Corruption*

DR GALLOP (Victoria Park - Leader of the Opposition) [8.45 pm]: I move -

That this House expresses grave concern at the widespread suggestions of corruption relating to the Western Australia Police Force and acknowledges that until these allegations are properly dealt with public confidence in the force will be undermined.

I commence my remarks by referring to the interim report of the Select Committee on the Western Australia Police Service, which was brought down in June 1996 in the Legislative Council. All the comments that the Opposition has been making in recent days on matters relating to the police in Western Australia are based upon the conclusions that were reached by that parliamentary select committee. Five members served on that committee, three of whom were members of the coalition, one of whom was from the Australian Labor Party, and one of whom was an Independent. Therefore, this was not a Labor Party report; it was unanimously endorsed by all of those members. What did they say in their report? On page 105 the report states -

The level of corruption within the WAPS is more serious than has been acknowledged.

It went on to say that the committee was most concerned at the level of misconduct and corruption which it believed existed in the Western Australia Police Service. Regular publicity of allegations against the police has surfaced in Western Australia over many years. The conclusions of that report merely added to the suspicions that existed in the community about the ability of our Police Force to carry out its functions without fear or favour.

The Opposition believes the Government of the day has an obligation, indeed a responsibility, to start its thinking on this matter with the assumptions laid down in the Legislative Council report. However, this Government's record on this issue since it came to power in 1993 has been very predictable. It has been a three act play. We have seen the play in Queensland and we have seen the play in New South Wales. The last act is when a royal commission is called. We all know that is inevitable and it will happen eventually. However, we are going through this process of pretending that it is not necessary and it will not happen. When allegations about corruption emerge the first act of the play always shows the actors on the stage telling the public that corruption claims are best dealt with through a reformed police force. The performers tell us that it is only a small problem that can be handled internally so long as the will exists. We saw all of that in Western Australia in the first few years of this Government, and I will illustrate how that happened.

But the problem does not go away. More claims and allegations bubble up to the surface and there is public outcry. We then get to the second act, which we are going through at the moment, in which the actors say, "Corruption claims are best dealt with through an independent corruption commission. It is a larger problem than we first thought and it requires independent examination, but we do not really need a royal commission."

The third act will follow; that is, when a royal commission is set up and all the actors tell us there is a major problem which requires the scrutiny of a royal commission. This play has been performed before in New South Wales and Queensland. It is now being performed in Western Australia and tonight I will illustrate how.

I go back to 1993. Two significant events occurred in 1993. The first was the strategic decision of the coalition to reject the advice of the royal commission into commercial activities and instead of creating a new and powerful commission in Western Australia it made small changes to the existing Official Corruption Commission. The commission was given the power to investigate complaints and if enough evidence was gathered it could refer those complaints to the police or the Director of Public Prosecutions; before that it had been merely a post box. But even with that added power it was still not much more than a post box because those investigations were usually performed on its behalf by others.

The Government then made a major mistake. It directly contradicted the 1992 recommendations of Western Australia's major royal commission. Then in 1993 we had the Sinatra's Tavern affair involving four officers from the armed robbery squad, which led to a range of allegations about the drug squad and the armed robbery squad. All members should remember the controversy and allegations that surfaced. Rather than move to establish a substantial form of inquiry at that time the Government eventually agreed to set up a Legislative Council committee, the Tomlinson committee, which reported a number of years later in 1996. The police initiated its internal inquiries with the wonderfully named Operation Bravo Quebec. The year 1993 was the year of missed opportunities. The Government's response to the royal commission into commercial activities report was to reject it. The police responded to the allegations that arose out of the Sinatra's Tavern affair by internalising them and under some public pressure the Government set up the Legislative Council inquiry as a means of taking off the heat.

That was 1993. Another fascinating year was 1994, because one State in Australia went from the second act of the play to the third act, while Western Australia remained well and truly entrenched in the first act. In 1994 the New South Wales Parliament voted to set up a wide ranging royal commission to examine allegations of corruption. That motion was moved by the independent member of the NSW Parliament, Mr John Hatton, and was supported by the Labor Party and other Independents. The motion passed through the Legislative Assembly because at that time the Fahey Liberal-National Government was a minority Government. Thus began the Wood Royal Commission which finally reported earlier this year.

It is fascinating to see what was happening in New South Wales in 1994 and to note what the players said at that time about these matters. The New South Wales' Police Commissioner, Mr Tony Lauer, denounced the inquiry set up by the New South Wales Parliament as a waste of money. He said that he would much prefer to have money given to him to have more police on the beat. The then police minister Terry Griffiths - where is Terry now? - also attacked the move. My notes indicate that he said, "There are pockets of corruption; there are opportunities out there. I definitely do not believe there is entrenched corruption." He also said that institutionalised corruption had been destroyed by internal restructuring in the service in recent years. They had gone through a restructuring process which went way back to the early 1980s when the Lusher and the Nagle inquiries were held. A lot of internal restructuring had been done. The police commissioner would go to the Minister and assure him that they were sorting out the problem because there was a new team organising the system and there was no longer any corruption.

The commentators in New South Wales at that time also made interesting observations. They said the decision of the Parliament to set up a royal commission represented a major blow to the Independent Commission Against Corruption, not because it had been doing all sorts of useful work for many years but because its efforts to expose corruption in the New South Wales' Police Force had failed. We all know that the Independent Commission Against Corruption, the extremely vigilant and powerful body that it was, was incapable of coming to grips with corruption in New South Wales. So, the players, the Government and the police commissioner, were resisting those efforts while the New South Wales Parliament supported the Independent member's motion for a royal commission and the commentators were saying that it indicated that the Independent Commission Against Corruption was incapable of dealing with the issue.

That was what was happening in New South Wales. Over here in Western Australia the Government had made its second major strategic mistake in handling police corruption. Its first strategic mistake was not to listen to the royal commission about the need for a much expanded and improved corruption commission. Its second strategic mistake was to accept the proposition that organisational change would root out corruption in the Western Australia Police Force.

Then the Delta program was introduced into the Western Australia Police Force. The Delta program is essentially modern day managerialism applied to the Police Force, as it had been to other areas of government to a lesser or greater degree. We have seen it all in many areas of government. There was nothing new about Delta as a managerial method. It devolved responsibility and flattened the management structure so that there are fewer specialised and centralised squads in the force. It may be argued that Delta is a good managerial tool, but it should be flexible when applied to the Police Force. We have already seen the problems it created in the south west when local officers felt they were so bound up in devolution that they could not ask for support from the centre to assist them in a major crime inquiry. If Delta becomes an end in itself rather than a means to an end, it will start to come unstuck.

Another major strategic mistake of the Government is to assume that managerialism applied to the Police Force will sort out corruption. As important as Delta is, it could never combat corruption. Interestingly, the Legislative Council report studied this very subject and in its critical commentary in part 5 it deals with that matter. It said -

The Committee has reservations about the Delta proposals. Devolution may serve only to disperse centrally located "hot spots" of criminal misconduct and corruption. The propositions about institutionalised corruption advanced by the Lusher Commission suggest that power structures of continuing groups can be sources of corruption. Restructuring might disperse members of such power groups, but the values and corrupting influences might persist.

Further on it said -

Changing the management structure without tackling the culture will serve only to shift the locus of corruption.

Again, further on it said -

The New South Wales example should offer salutary warnings. The regionalisation of the New South Wales Police Service and the structures put in place following the Lusher Commission do not appear to have been effective in minimising police corruption in that State.

The Government and the then Police Minister told the Parliament and the public that the Police Force's new managerial tool was the solution to corruption. The Government made a major strategic mistake.

It was a fascinating year in 1994. New South Wales set up the royal commission into that State's Police Force and Western Australia went down the path of internal reform within the Police Force. The problem in Western Australia is that the Commissioner of Police and the past and present Ministers argued and continue to argue that Delta is "The Solution". They have become blinded to the reality of what should be done about these issues and have been caught up in their managerial change.

In 1995 the problem for the Government was that the issue did not go away. The new Commissioner of Police introduced his Delta program and everything looked good. The glossy brochures were distributed, the public relations exercises were put in place and the Minister and the commissioner went around the State talking about the program. Unfortunately, for the Government, the issue did not go away. Before long the issue was bubbling to the surface again. Alarm bells should have been ringing for the Government towards the end of 1994 when the Director of Public Prosecutions, Mr John McKechnie, in his report to this Parliament spoke of a threat from police corruption if urgent administrative and cultural changes were not made. He referred specifically to the code of silence which existed within the Police Force.

Early in 1995 the "Four Corners" program investigated the situation. The remarkable thing is that the players are the same. There was the "Four Corners" program in Queensland, New South Wales and Western Australia. The Western Australian Commissioner of Police and Minister for Police were saying that there was no need for a royal commission. The next step of the equation is to have a slightly more independent inquiry and the third stage is a royal commission.

In the "Four Corners" program on the Western Australia Police Force, Hon Derrick Tomlinson, who chaired the upper House committee, made a surprising comment. He said that the evidence put to that committee was stunning. He said that a royal commission may be the only way to get to the bottom of corruption and malpractice within the Police Force of Western Australia. In spite of that, what did the Government do? Again, it rejected the calls. Members should remember that at that stage the Official Corruption Commission was a very weak body. When the Government rejected the call for a royal commission it was effectively saying, "Leave it to us. Leave it to internal inquiries and it will be sorted out." In fact, that is exactly what the Minister said. The member for Wagin, who was the Minister for Police at that time, said he was confident that the internal affairs branch of the Police Force, and the Official Corruption Commission, could deal with the issue and it would be fixed up.

The Commissioner of Police used the bad apple theory. An article in *The West Australian* on 6 September reported the commissioner as follows -

"There is a significant difference in law enforcement agencies as to whether one has an agency that is corrupt or a good agency with some corruption and I am happy to say we are the latter and it is a small number of people," Mr Falconer said.

In the *Sunday Times* on 8 October he was quoted as follows -

Mr Falconer has steadfastly rejected calls for a royal commission, saying every police force in the world has bad apples, with corruption only existing in small pockets in WA. "I don't think it's all that bad," he said.

When the upper House select committee said that corruption and malpractice was much worse than senior officers in the Police Force had said it was, it was referring to the comments by the Commissioner of Police that there were only a few bad apples in the force and things were not as bad in Western Australia as they were in the other States.

The Government should forget its prejudices and look at the evidence. The evidence indicates there is a problem and it must be dealt with. The year 1995 started out with more allegations and more claims, but the Government locked in again to the view that it could sort out the problems itself. In the meantime, the Commission on Government was established and it entered the fray.

The Commission on Government Chairman, Jack Gregor, pointed out that the Official Corruption Commission did not have the power to investigate corruption; therefore, it was a totally ineffective body. Something else which should have set the alarm bells ringing within government was also pointed out and that was that the Ombudsman's office was being overwhelmed by an increased number of allegations against police. Again, 1995 was a year of

missed opportunities in which the Government could have taken up the cudgels but decided it would rely upon the internal processes which were then in place within the Police Force to deliver the goods.

In 1996 the pace quickened. It is very interesting that at the start of the year the Premier was adamant that a new anti-corruption body was not necessary and to add to the equation he also said that the State did not need a royal commission into the City of Wanneroo. However, something happened in early 1996 which the member for Kalgoorlie remembers only too well. I refer to the by-election for the seat of Kalgoorlie. Elections do good things. They are the one thing that causes this Government to take action. The threatening federal election persuaded it to withdraw the industrial relations legislation.

The by-election for the seat of Glendalough forced it to take seriously the concern of parents about schools and the Kalgoorlie by-election raised its concern about the whole problem of corruption in Western Australia. The Premier announced that he would increase the powers of the Official Corruption Commission. Later that year he introduced legislation to create the Anti-Corruption Commission. Interestingly, he made that announcement only hours before the report of the select committee in the upper House was released, much to the annoyance of Hon Reg Davies who made some scathing comments about how coincidental it was that the Government's announcement on the establishment of an Anti-Corruption Commission was made only hours before the report was tabled in the Legislative Council.

The Government also said in the heat of the Kalgoorlie by-election that it would hold a royal commission into Wanneroo City Council dealings. That is how 1996 started, but as time moved on the issue of police corruption in Western Australia moved up another gear. The Legislative Council Select Committee on Western Australia Police Service report found corruption and serious misconduct much greater than previously acknowledged and called for an independent police anti-corruption commission and a series of judicial inquiries. The select committee said about those judicial inquiries -

If they are not implemented the only other course available is the establishment of a Royal Commission into the WAPS with wide terms of reference.

Then came the extraordinary report from the Australian Federal Police into the Argyle Diamonds affair which was eventually tabled in the Parliament. It found evidence of corruption as well as inefficiency and ineffectiveness in the Police Force. It is most important that we pursue the Government to determine what it has done about that report. It was most disturbing that when we asked a question of the Minister today about that matter he was not in a position to answer. However, we now put him on notice that we will pursue that matter in this Parliament because of the serious allegations made in the AFP report.

There is no question that those two reports added to the Sinatra Tavern affair, to the "Four Corners" program, to the comments made by Hon Derrick Tomlinson and to the drug squad allegations in the past few weeks mount up to a crisis of confidence in the Police Force in Western Australia today. The Government now acknowledges that there is a crisis of confidence in the Police Force. However, the little history I have just given indicates that part of the reason for that crisis is the inaction of the Government over the first four and a half years of its existence.

It is evident from that history that we now have a major problem in the Police Force because the Government made strategic mistakes. Those mistakes were, first, not to listen to what the Royal Commission into Commercial Activities of Government and Other Matters said and, secondly, to believe that the Delta program was the solution, with a capital "t" and a capital "s".

Unfortunately the Government then made its third strategic error. People who study these matters can see the nature of the major error the Government made in relation to recent allegations. The Anti-Corruption Commission was set up in 1996. It has its own force of investigators and the ability to investigate complaints and to set up a special investigator with the powers of a royal commission. However, it must meet in secret, unlike a royal commission where the commissioners decide whether a hearing will be open or in camera.

The Independent Commission Against Corruption in New South Wales is a similar body to the Anti-Corruption Commission except it is more powerful and certainly has more resources. When it started to look into police issues it had more of a base to what it was doing, but it did not solve any problems. The Anti-Corruption Commission will work very well in Western Australia dealing with one-off issues of corruption and issues that exist in the Public Service. It will not work as well as it could because the Opposition believes that the royal commission and the Commission on Government recommendations should have been the basis for setting up that body. Nevertheless, the Anti-Corruption Commission has the ability to investigate those issues. I am sure it will do a very good job investigating many aspects of corruption and misconduct in this State. However, it will find it very difficult to investigate allegations surrounding the police. That is why the Legislative Council select committee recommended a police anticorruption commission. That is why the Wood royal commission said we needed a police anticorruption

commission. That is why anyone who knows anything about this says we cannot deal with a major issue of corruption in a police force by adding it to the agenda of an existing body such as the Anti-Corruption Commission in this State.

The reasons are that, first, the Anti-Corruption Commission deals with complaints that come to it. A classic example of that, as we were informed today, is that the ACC is setting up a special investigator to look into a particular issue, but it cannot tell us what it is. Members of the public, who may have something to contribute, do not know what it is. That secrecy will prove to be a major constraint on the ability of the commission to address corruption.

The second problem is that although the Anti-Corruption Commission may be well equipped to deal with one-off issues, if corruption in sections of the Western Australia Police Force is endemic or systemic the commission will not be able to come to grips with it. That is why all serious commentators on this issue say that where a code of silence and a systemic problem exist the only solution is the Fitzgerald or Wood-type special purpose royal commission with wide terms of reference.

The difficulty is partly the powers given to the Anti-Corruption Commission and partly its breadth of vision. It deals with individual complaints that come to it. As I said, it has recruited a special investigator who we hope will come to terms with what is going on, but of course we do not know what that is. It is the Opposition's view that this strategic error by the Government, which can be illustrated by drawing analogies from Queensland and New South Wales, has solved the problem for the Government in a short term sense; just as the change of Police Commissioner solved the problem in a short term sense; and just as the increased powers to the Anti-Corruption Commission solved the problem in a short term sense. The short term sense to which I am referring is a very political sense, not a substantial one.

The problem keeps bubbling away. The credibility of the Government on this issue is threadbare. The Government told us back in 1993-94 it would solve the problem with the Delta program. However, it did not solve the problem. The Government is now telling us it will solve the problem by referring the issue to the Anti-Corruption Commission. It is our judgment that it will not solve the problem.

We have a Government that will not face up to the reality of the situation revealed to this Parliament through the report of the Legislative Council Select Committee on Western Australia Police Service, and other inquiries that have done their best to examine the reality of corruption within the Police Service in Western Australia.

What are the consequences of this? As all members of Parliament will realise, public confidence in the Police Force is at rock bottom. The results of that are very serious. We currently have a major heroin crisis in our State with about one person every week dying from heroin use.

Mr Thomas: More than that.

Dr GALLOP: Then I will say at least one person a week is dying as a result of heroin, and we are told by the Commissioner of Police and the Minister that a significant number of drug squad officers are currently under investigation. What confidence can the community have that people who traffic drugs will be dealt with in that situation? An ABC reporter found it very easy to ring up three drug traffickers to organise a meeting to obtain heroin through a few little investigations.

If for no other reason than the current drug crisis on our streets, the Government should take seriously the falling confidence in our Police Service and take radical action to deal with these matters - they cannot be allowed to continue.

Let us consider other areas of police work today. The Commissioner of Police is advocating community policing, which is supported by all members of Parliament. He says to the community, "We want you to help us to carry out our fight against crime in our suburbs"; however, at the same time, allegations are made that when people take a complaint to the internal affairs unit, they are told not to pursue that complaint too much or else complainants may find some heroin placed on them for which they will be charged. How can the community be involved in community policing in the atmosphere evident in this State today?

The Government acknowledges that a problem exists, but I suspect it has not come to a full realisation of the implications of that problem in delivering good policing throughout Western Australia. We see enormous cynicism towards the police in critical newspaper commentary and in general comment - everywhere one goes, people talk about how one cannot take seriously what the police say.

The third strategic mistake made by the Government on this issue is now very serious in its implications because of the lack of community confidence in our Police Service which is undermining its ability to carry out its job, which it can do very well with community support and confidence and the resources, skills and ability to perform its role.

In summary, the Opposition has grave concerns about widespread suggestions of corruption. Those suggestions have been made over extended time by very serious people, such as former deputy commissioner Les Ayton - I did not mention him earlier - who knows a lot about this matter. We have seen allegations made within the Legislative Council select committee report. It is suggested that corruption exists, but significantly all these sources say it is to a much greater extent than anybody acknowledged before. Therefore, a radical response is needed.

The Government's response thus far has been based on serious strategic mistakes, and we are left with a Police Service without public confidence hindered in the performance of its duty on behalf of the public. The Government, in itself, has been a major problem because of its weak attempts to resolve this issue, and unless it comes to grips with the problem, changes its tack and sets up a royal commission with wide ranging powers along the lines of the Wood royal commission - it could even ask Justice Wood to come over to WA to carry out the work - the problems will continue to bubble away. The Government will simply roll along. If the commission is not called, we will have wasted an opportunity to come to grips with a serious issue in our State.

MRS ROBERTS (Midland) [9.25 pm]: I second the motion, which the House should have no difficulty supporting. How could we do anything but express the gravest concern about the widespread suggestions of corruption relating to the WA Police Service? Until these allegations are properly dealt with, public confidence in our Police Service will continue to be undermined. We must restore that confidence by effectively dealing with the allegations.

How effectively are the Premier and his Government dealing with these allegations? Not effectively at all. The Opposition believes that the allegations will be put to bed only if they are investigated by a royal commission. The Premier and his Government have put their faith in the Anti-Corruption Commission, but the Premier has put his faith in other organisations on previous occasions. He maintained faith long after the Official Corruption Commission was totally discredited by the Royal Commission into Commercial Activities of Government and Other Matters, the Commission on Government and the Director of Public Prosecutions. The Premier also had confidence in the Director of Public Prosecutions' supervision of the Police Service. I draw members' attention to the select committee report of the upper House in which the DPP commented -

The DPP is not the appropriate person to supervise the Police Force. I have undertaken this present role reluctantly and for 2 reasons.

The first is that I have the support of Government to undertake the probe. For this I thank the Hon Premier for his trust.

However inappropriate it was that the DPP should have taken on that role, he did so because he had the trust of the Premier. His second reason was outlined as follows -

... at this point some supervision is vital and there is no other body in the Government, except the DPP, with any capability to monitor the Police Force.

However, there are sound reasons to preserve the difference between the prosecuting and investigating functions of Government and the involvement of the DPP should be seen as a short-term emergency measure and not a long-term solution.

Our Premier was happy for the DPP to maintain that supervisory role for two years, and he was also happy with the performance of the OCC long after it passed its use-by date. He now says he is happy with the beefed up OCC, which has been renamed the Anti-Corruption Commission even though it contains the two same commissioners of Wickham and Orr.

Let us have a closer look at the Anti-Corruption Commission. Today, the Anti-Corruption Commission issued a media statement indicating that in addition to matters already under scrutiny, it will be investigating further recently publicised drug complaints previously under examination by the police. The media statement reads -

ACC Chairman, The Hon. John Wickham, QC, said the Commission had also found sufficient evidence to warrant the appointment of a Special Investigator into one of the complaints already subject to ACC investigation.

Operational requirements dictate that details of the specific complaints involved, not be disclosed.

This is supported by its legislation. It continues-

The Chairman said that the Special Investigator's terms of reference were currently being considered, as was the appointment of a suitably-qualified person to the position.

The term of reference can be extended. As the Police Minister said today, under some revised administrative guidelines, the compulsory reporting provision of section 14 of the Act will apply straight away; that is, immediately those matters are put before the police.

This exposes some of the difficulties with the Anti-Corruption Commission dealing with such matters. The ACC will never enjoy the full confidence of the public until it can hold public and open meetings. The Opposition made a proposal for such hearings last year when the ACC legislation was before the House, but the Government said, for witness protection reasons, it would be better that evidence be given behind closed doors. Royal commissions have open hearings, yet they go in camera on appropriate occasions. Our Anti-Corruption Commission does not have the opportunity to hold open meetings. I suspect that that aspect would isolate the ACC when compared with other bodies throughout Australia dealing with such matters as most bodies in other States have the capacity to hold public hearings.

The special investigator is prevented by law from holding public hearings in our State, and no requirement exists that the results of the special investigator's inquiry be made public. We will not know what is being investigated, meetings will be held behind closed doors and the findings may not even be made public. Therefore, how will the public be sure that the investigators are even doing their job?

Ms MacTiernan: They will have to trust the fact that there are so many ex-coppers investigating them!

Mr Day: How many ex-WA coppers are investigating them?

Ms MacTiernan: I did not say ex-WA coppers.

Mr Day: Who said they cannot be police from elsewhere?

Ms MacTiernan: I did not say they could not be; I just said they are.

Mr Day: Are you suggesting that they should not be?

Mrs ROBERTS: The Minister and his Government need to understand that the culture of secrecy and silence in the Police Service is the type of culture which allows corruption to flourish in certain areas. Open public hearings are an essential weapon in breaking the culture of silence and exposing the corruption for all to see. Justice must be seen to be done. When that occurs, others will come forward to blow the whistle.

Yesterday in this House, some interesting claims were made by the Minister and the Premier. They said that the ACC had been asking for all of the evidence from the upper House select committee on the Police Service since last September. The Premier said that it was, therefore, not true to say that the ACC had been tardy; and he referred me to the *Hansard* of last September, which is when he claimed these matters were raised. He referred me also to a press release issued by the ACC, which he said outlined the processes that it went through to obtain that evidence and demonstrated that it had been seeking that evidence since September. The Premier instructed me to check my facts. I had no difficulty with that, but upon checking those facts, I found that it was the Premier, the Minister and the ACC who needed to check their facts.

The Premier alleged in this House again today that all of the evidence of the Legislative Council select committee on the Police Service was requested last year. That is plainly not the case. Today we received confirmation from Hon Derrick Tomlinson that no such request was made of him or the Legislative Council. The only requests that were made of Hon Derrick Tomlinson were from the Premier and the Police Minister. The Premier's letter to Mr Tomlinson did not request him to provide all of the evidence; it requested only the evidence with regard to Stephen Wardle and Mr and Mrs Tilbury. The letter was dated 10 March 1997 and states -

On June 20 1996 I forwarded to the Anti-Corruption Commission a copy of the Interim Report of the above Committee. I understand the Commission is now giving preliminary consideration to the issues raised concerning Stephen Wardle and Mr and Mrs Tilbury.

That is interesting. The Premier told us yesterday that it was none of his business and he did not expect ever to know what the ACC was investigating; but it seems that in March he knew exactly what it was investigating, because he wrote to his Liberal Party colleague and suggested that he assist in that investigation. The letter continues -

The Commission has indicated that to progress its consideration it needs to see all the relevant evidence and materials collected by the Select Committee. It has therefore sought that the necessary steps be taken to secure the submission of that evidence to the Commission without delay.

The matter has been raised with the Attorney General who suggests it would be appropriate for you as Chairman of the Committee to move for the release of the relevant papers to the Anti-Corruption Commission. I now accordingly request that such action be taken as soon as possible.

There are a number of anomalies. Firstly, the Premier has not followed due process. On 10 March this year, Mr Tomlinson was not the chairman of that committee, and in fact the committee had ceased to exist when the Parliament was prorogued in November last year, yet the Premier thought that the appropriate way to expedite the provision of the Wardle evidence and get it to the ACC was to write to Mr Tomlinson in those terms.

The Premier suggested that I look at *Hansard* to determine whether the ACC had been requesting the evidence since last September. He referred to a statement by the Attorney General, Hon Peter Foss, in response to the interim report of the Select Committee on the Western Australia Police Service. At page 5770 of *Hansard*, Mr Foss referred to some of the key matters that were raised in the initial part of the report: The Mickelberg case, the Argyle Diamonds affair and the Stephen Wardle case. He said about the case of Stephen Wardle -

The death of Stephen Wardle was the subject of a coronial inquest and subsequent investigation by the Ombudsman. Both inquiries found that no police officers were implicated in the death, although it was a death in custody which should not have occurred. The report of the evidence of Mr and Mrs Tilbury at page 10, on the face of it, is disturbing. The Government has already referred the committee's report to the Anti-Corruption Commission to which this House should now give leave for the committee to release its materials.

Any fair interpretation of that would indicate that the Attorney General was suggesting that the evidence with regard to the case of Stephen Wardle be released to the ACC. However, the story gets worse when I turn to the other evidence which the Premier suggested I check out - the media statement from the Anti-Corruption Commission dated 5 June, which states -

The Anti-Corruption Commission (ACC) understands that some people may have the wrong impression that the Commission had only recently requested access to all of the evidence presented to the Select Committee . . .

ACC Chief Executive Officer, Mr Wayne Mann, said this was far from the truth.

"The fact is, the ACC has been actively seeking all the evidence since September 1996, when the Hon. Attorney General Mr P. Foss, presented the Government's response to the Tomlinson Committee's interim report to State Parliament," Mr Mann said.

Hon Mr Foss, Hon Mr Tomlinson and our Premier could have arranged to have a motion moved in the Legislative Council to enable the release of that material. However, the Attorney General did not seek to do it, nor did Hon Derrick Tomlinson.

Mr Mann has also stated that he wrote to the Premier asking that all the evidence be released. I will give the Premier the benefit of the doubt. The Opposition asked for a copy of the letter during question time today. It might be that Mr Mann asked the Premier to expedite only the delivery of the evidence relating to Stephen Wardle.

The media statement continues -

At that time the Commission received advice that Mr Foss told the Legislative Council that it should give leave for the Committee to release all its materials.

One would think an investigating body such as the Anti-Corruption Commission, rather than simply acting on advice, might check the facts and look up material on the public record in the upper House. If it had, it would have found that, at best, it is equivocal as to whether Hon Mr Foss told the Legislative Council that it should give leave to release all its materials. My reading of it suggests that Hon Mr Foss did not use that all encompassing terminology and made the statement in reference to the Wardle material. The media release continues -

Mr Mann said the Commission has followed up this matter at regular intervals. Although requests referred to a specific matter, -

I presume the Wardle matter -

- the intent, based on the Government's September response to the interim report, was that all evidence collected by the Tomlinson Committee, be released to the ACC.

Mr Mann appears to be a little too cute with the truth. Either that, or he did not actually look at what Hon Mr Foss said in the upper House. He goes on to say -

Any possible misunderstanding about the scope of the Commission's request was clarified on March 14, 1977.

The Premier's letter to Hon Derrick Tomlinson was dated 10 March and he asked only for the Wardle material. If the ACC clarified it so well on 14 March, why did the Premier not write to Hon Derrick Tomlinson or the committee and clarify that he wanted all the evidence and not just that relating to Wardle?

Then we have the prize lines -

In response to these requests, I was advised that on March 20, 1997, the Hon. Mr D. Tomlinson moved a motion recommending to the Legislative Council that the evidence be released.

Again it seems that the ACC has not followed some basic investigative procedures and sought the evidence on the public record. Mr Mann has not even checked what Hon Derrick Tomlinson moved in March this year.

One would not have to be a super sleuth to work that out. Today's Legislative Council Notice Paper contains a motion headed "Release of documents to the Anti-Corruption Commission". It shows that Hon Derrick Tomlinson has moved that -

- (1) The Clerk be, and is hereby so ordered, to transmit forthwith to the Anti-Corruption Commission, all the evidence and associated documents in his possession or under his control, taken or received by the *Select Committee on the Police Service* relating to the death of *Stephen John WARDLE*;
- (2) The Anti-Corruption Commission shall receive and deal with that evidence and documents in a manner that is consistent with the relevant and appropriate powers, privileges, rights and immunities of this House . . .

Never at any point does it suggest that there has been a request for anything other than the material relating to Stephen Wardle.

I checked an earlier Legislative Council Notice Paper to see when notice was given by Hon Derrick Tomlinson and found that it was given on 20 March, and that motion is still on the notice paper. On 5 June, Mr Mann issued a media statement from the ACC stating -

"In response to these requests, I was advised that on March 20, 1997, the Hon Mr D. Tomlinson moved a motion recommending to the Legislative Council that the evidence be released.

Ms MacTiernan: And the evidence relates only to Wardle.

Mrs ROBERTS: That is right.

Mr Day: That is totally irrelevant and academic.

The ACTING SPEAKER (Mr Baker): Order!

Mrs ROBERTS: The Minister has misled the House and the ACC does not know what has and has not been requested.

Mr Day: It is up to the ACC as the body that wants the information.

Ms MacTiernan: You have been telling us that all bases have been covered and that the Anti-Corruption Commission has it in hand.

The ACTING SPEAKER: Order!

Mrs ROBERTS: Unfortunately for the Government, the Police Minister and the Premier have been caught out in a major way. They have told me to check the facts, that I have it wrong and that the ACC has made these requests for all the information. Now we find that the ACC has perhaps not made as many requests as the Government thought.

Dr Gallop: It was so academic that the Premier made a note of it at the police union conference.

Ms MacTiernan: He jumped up and down yesterday about how important it was that the ACC had done it and we had the facts wrong.

Mrs ROBERTS: He did it in question time again today. He referred to me and suggested that I might have misled people. I told him that I was going on what Hon Derrick Tomlinson said. He has consistently said that no such request for evidence has been received, and that is still his position.

The final paragraph states -

However, I understand there may be some procedural difficulties in making all the material available and this is now being addressed by the Chairman of the Committee, Mr Tomlinson.

How could he if he had not received a request from the ACC?

A couple of weeks ago I alleged that the ACC had been tardy in only just requesting the information. I am not sure that all the information has been requested yet.

Mr Day: Why not ask the ACC?

Mrs ROBERTS: One would think that we could look at a media statement like this from the ACC and assume that the facts are correct. This is supposed to be the investigative body that will sort out all the corruption in Western Australia.

Mr Day: So you are critical of the ACC?

Mrs ROBERTS: I am certainly critical of this media statement. Does the Minister support it and think it is accurate?

Mr Day: It is up to the ACC to say what it is doing.

Ms MacTiernan interjected.

Mr Day: I immediately conveyed the first request to the chairman of the select committee.

Mrs ROBERTS: The Minister's first request was obviously not long before 5 June, because that is when he wrote to Hon Derrick Tomlinson

Mr Day: It was on that day.

Mrs ROBERTS: I said a week ago, when I heard that Hon Derrick Tomlinson said that there had been no request from the ACC for all the information, that it had been tardy. How could we or the public have confidence in the ACC when the most significant report available to it was this Legislative Council report and it had not followed it up? It has only recently decided to ask for evidence.

Hon Derrick Tomlinson had said there had been no earlier request. I accused the Anti-Corruption Commission of being tardy. What can I accuse it of now? Basically in this press release it has tried to cover up the fact that it did not ask for all the evidence. The Police Minister has said that a motion has been moved by Hon Derrick Tomlinson for all the information to be provided.

We are asking the public to put faith in a body that collects evidence in this way. It has taken it the best part of a year to get this far and it still has not followed the appropriate processes. The Minister has said tonight that it is not up to the Government but the ACC to request the evidence if it wants it. We have now heard that the ACC does want the evidence and has told the Minister so. The Minister has written to Hon Derrick Tomlinson stating that the commission wants all the evidence. If this is the slowness and accuracy with which the ACC deals with matters, if its investigative skills do not extend to being able to look up material on public records, and if it makes clearly inaccurate media statements, how can this House, the Government or the public have any confidence at all in the ACC being able to go about the job of sorting out corruption in this State? Any doubts I had about the ability of the ACC to undertake the task of uncovering corruption in this State have just been confirmed by the matters brought to our attention in the last couple of days and by my reading that media statement and comparing it with the evidence on the public record.

MS MacTIERNAN (Armadale) [9.52 pm]: In the short time I have I will raise very briefly one issue that bears somewhat more scrutiny than it has had to date. Anybody investigating the Police Force in this State must give some attention to it. Certainly the matter, as it has been raised in Parliament over the last couple of years, has not been satisfactorily addressed. I refer to the issue of the private sponsorship of community fleet vehicles, and in particular the arrangement that was entered into by the Police Force at some time in 1993-94 with an organisation known as Custom Fleet. The sponsorship arrangement was valued at something like \$2.5m, which is a very substantial amount of money. The question that has always hung over the transaction is whether the sponsorship, which was a very fortuitous arrangement for the Police Force, provided an incentive to the Police Force to reactivate a languishing investigation into the conduct of the Custom Credit Corporation's lending officers.

Those members who followed the events of the 1980s would recall that Custom Credit was a very active financial institution across Australia, particularly in the latter half of the 1980s. Under its management it had a very aggressive lending policy. However, like so many of the institutions in the late 1980s, with the collapse of the stock market and the subsequent depression in real estate property prices, the corporation found itself in a negative equity situation. The corporation was a wholly owned subsidiary of National Australia Bank and, therefore, in many ways shares the

characteristics we saw with Tricontinental and the Victorian State Bank and a number of other banking institutions which put their more risky lending off into a subsidiary that could operate outside the proven and regulated prudential regulations of the banking system.

When Custom Credit went bust it went around trying to prosecute its lending officers. It sought to have its lending officers in this State prosecuted. Various investigations were made. There seems to be some evidence, and I cannot assert this with every confidence, that after investigating the case for a couple of years, basically the officers of the fraud squad found that there was not much in it and the evidence was very sketchy.

We then see arriving out of the blue for the first time this incredibly lucrative sponsorship deal by an organisation called Custom Fleet. The suggestion has been made that there was a quid pro quo for this sponsorship deal. The quid pro quo was, "We will give you the dough, if you reactivate the fraud squad inquiry." It is interesting to have listened to the explanations given in Parliament as to why it is not what it seems but is quite an innocent arrangement. If we refer to the other place, Hon George Cash explained that there was never a sponsorship arrangement and that the leasing was performed on a purely commercial basis. That proposition is clearly not supported by any of the documentation. When the debate moved into this House, the line being fed to the Government Minister from the Police Force changed. It was no longer a commercial arrangement but an acknowledgment that this was a sponsorship. However, this time the Police Force said that Custom Fleet was entering into the arrangement and not Custom Credit Corporation, which had been liquidated and no longer existed as a legal entity, and therefore this arrangement had nothing to do with Custom Credit. This highly sophisticated argument was put by the then Minister for Police, the member for Wagin. He acknowledged at the time that he was no expert on Corporations Law. That is pretty self-evident when one looks at the arrangement.

Of course, Custom Credit was in liquidation. That is the very reason that this transaction was needed and it was so important to the owners of Custom Credit that the lending officers of the erstwhile corporation were pursued. Mr Acting Speaker (Mr Baker), as a lawyer you will appreciate that Custom Credit was a wholly owned subsidiary of National Australia Bank. Custom Fleet, the very generous sponsor of the Police Force, was also a wholly owned subsidiary of the National Australia Bank. The key factor that does not seem to have been understood in the debate in this place is that the real reason a body like the National Australia Bank was very keen to have those officers prosecuted was not simply revenge; it was that if it were able to secure a conviction for fraud, the insurance policies which guaranteed any losses of the Custom Credit Corporation would be activated. The National Australia Bank, which was, I understand, a guarantor for many of the liabilities of Custom Credit, would benefit from the moneys that would be paid over under the terms of those insurance policies.

The sops that have been presented to this House and to the Parliament generally in order to assure us that this is not a problematical arrangement do not stand up to any analysis. Clearly, the owner of Custom Fleet, the sponsor, is exactly the same corporate entity as the owner of the defunct company, Custom Credit. The owner of Custom Fleet would have a clear commercial interest in ensuring the conviction of these lending officers who were formally the employees of Custom Fleet.

This is a matter of considerable concern. Unfortunately, I do not have the article with me, but another indication appeared in the newspaper the other day of how concerned we should be about these sponsorship arrangements. It was the case of a developer who had constructed a crossover onto a road outside a development which the police criticised. The developer in criticising the police for criticising the developer pointed out that it had been a major sponsor of the police helicopter and said that it was unfortunate that the police had criticised the development.

The explanations about Custom Credit that have been offered in this place are not satisfactory. This issue throws doubt on the integrity of the decisions of the Police Force about whom it will pursue. This matter must be handed over to whatever investigatory body we set up to look into the Police Force.

[Leave granted for speech to be continued.]

Debate thus adjourned.

REVENUE LAWS AMENDMENT (ASSESSMENT) BILL

Committee

Resumed from an earlier stage of the sitting. The Deputy Chairman of Committees (Mr Sweetman) in the Chair; Mr Court (Treasurer) in charge of the Bill.

Progress was report after clause 6 had been agreed to.

Clauses 7 and 8 put and passed.

Clause 9: Section 3 amended -

Mr COURT: I seek the indulgence of the Committee to clarify a response I gave to the member for Bassendean on clause 6. I indicated that the land tax principal place of residence exemption was limited to an area of 2.0234 hectares or 5 acres. In fact, clause 10 of part 1 to the schedule of the Land Tax Assessment Act provides that an exemption can be provided in the case of a lot or parcel of greater than that area if all other criteria for exemption except area are met. However, if such a lot or parcel is subsequently subdivided, section 15A of the Act causes an assessment to be made for tax equivalent to the last five years' exemption on all land subdivided, excluding the area upon which the dwelling house is constructed or 2.0234 ha, whichever is the greater. This prevents a landowner from sitting on a large amount of land for subdivision in the future and unduly exploiting the principal place of residence exemption.

As to the criteria for judging whether an adjoining lot to the residence should be viewed as part of the residence, I have obtained a copy of the instruction to assessors which is used as a guide in reaching a decision on this matter. I will not read the detail of that. However, I will give the member for Bassendean a copy if he wishes.

Mr RIPPER: This is the clause which expands the payroll tax base by providing for fringe benefits and superannuation benefits to be taken into account when the employer's obligation to pay payroll tax is determined. I will be interested in the Treasurer's comments on how this changes the technical legal situation arising from the existing Act. The definition of "wages" in the Pay-roll Tax Assessment Act already provides authority to include fringe benefits in the assessment of an employer's obligations. I know that, as a matter of administration, the State Revenue Department has not been doing that because, from time to time, the Treasury Department has presented to various Governments the option of including fringe benefits, in particular, in the payroll tax net. I would be interested to know why the State Revenue Department has not previously used the authority available to it under the existing Pay-Roll Tax Assessment Act to include fringe benefits in the assessment.

I was concerned in the second reading debate about fringe benefits provided by mining companies in remote areas. I was assured that these fringe benefits would not form part of the payroll tax net. That information was also given in the briefing. I ask the Treasurer to point to the part of the Bill that provides for that exemption. I cannot determine it. I suspect it is in part 3, clause 9(5)(2)(b), although I am not certain.

Are particular industries likely to be especially affected by the inclusion of superannuation benefits and other fringe benefits in the payroll tax base? For example, the universities have already complained that they will be affected. I know the Government is aiming for this measure to be revenue neutral. It might be revenue neutral across all industries, but some industries might be especially disadvantaged or some might receive a benefit. I imagine those industries in which there is a particular concentration of paying superannuation or fringe benefits will be among those that will be most disadvantaged by this legislation. Has the Government made any assessment of the industries likely to be subjected to particular incidence effects?

Mr COURT: Section 10(1)(n) of the existing Act provides that power. It refers to remote locations. The problem with the existing Act is that no valuation mechanism is provided for benefits. The current Act includes benefits as wages, but without the valuation mechanism, unless it is included. It must be included in a written remuneration agreement. That is why that change has been put in place.

Mr RIPPER: What is the impact of the inclusion of superannuation and fringe benefits on different industries? Has any assessment been made of industries which might be particularly disadvantaged? Complaints have been received from some universities and there might well be other industries which may not see the impact of this measure as revenue neutral.

Mr COURT: Specific modelling has not been done in relation to the effect on different industries. Some figures are available from the Australian Taxation Office. In some areas - universities is one, professional firms is another; that is, lawyers, accountants, etc - there has been a lot of salary packaging with superannuation included. It would have more effect in those areas than in some other industries. I cannot give a specific breakup, industry by industry.

Mr RIPPER: Does the Government have any estimate of the loss of payroll tax to date as a result of salary packaging? By this legislation is the Government mainly forestalling future losses or have significant losses in payroll tax collections been sustained in recent years as a result of salary packaging arrangements?

Mr COURT: If we move into the future with the superannuation guarantee arrangements, where the percentages are increasing across the board, obviously there will be an increase coming through. The 8 per cent increase in the base is made up of 6.5 per cent for superannuation and 1.8 per cent in fringe benefits, from which the travel and accommodation allowance is deducted.

Mr BROWN: I have a couple of questions about proposed subsection (2aa) which provides for the making of regulations to prescribe how the value of a particular kind of taxable wage is to be determined. Is it the intention of the Government to draw those regulations? If so, I seek an indication of what they may prescribe, given what is contained in this provision.

I do not know whether this matter is contained in this clause or a related clause. I wish to discuss the fringe benefits arrangements that cover travel and other allowances. I do not want to be caught by allowing this clause to go by and then find I should have dealt with it while we are debating this clause. If it is capable of being dealt with in this clause, I am happy to do so. If not, I will deal with the matter later; however, I do not want to get to a later clause and find that I have missed the boat.

Mr COURT: I can answer the first question by saying yes. Valuation rules must be put in the regulations for the prescribed benefits.

Mr BROWN: I have looked at the explanatory notes. There is a provision as I understand it -

Mr COURT: The member will have to deal with it now.

Mr BROWN: I want to distinguish between two circumstances insofar as travel is concerned. Some people are required to travel during their employment. People who work for mining companies on fly in, fly out operations are on a plane every week and are flying to and from the site. If these employees pay for their travel themselves, it would be a deductible expense and it could be claimed through the Commissioner of Taxation. As I read this Bill, it is not intended that that type of expense is to be subject to payroll tax. Equally there are other arrangements where, as a result of salary packaging or simply a salary income arrangement, where X amount of dollars is made available to an officer for discretionary travel - that is, travel that is not related to business or to the income generation of the business -

Mr COURT: Like in the Senate?

Mr BROWN: I thought the senators had to use their money for business purposes. Whether they are using it correctly is another matter. I am talking about where part of the remuneration package is such that people can travel alone or with their family at the employer's expense and are permitted to bill back to the employer an amount of whatever dollars that might be. In effect, that is salary packaging. Instead of adding on \$5 000 or \$10 000 to a person's salary that amount can be made available to the person, and his or her family can travel accordingly. That is a fringe benefit. It is not a benefit provided for the purpose of gaining an income and therefore deductible under the Income Tax Assessment Act; rather it is a benefit directly provided to the employee as part of a salary package. To the extent that this legislation seeks to cover the field of fringe benefits, in that sense payroll tax would be applied to that payment. Where does the Bill do that?

Mr COURT: If the employer is paying for the travel, it is a fringe benefit, except in fly in, fly out operations. A discretionary amount of money would be classified as an allowance and it would be caught under the definition of wages. There is also an exemption for remote areas.

Mr BROWN: Someone working in the Kimberley would receive an exemption because he may have been recruited here or in the nearest capital city. What if that person flew to London? Now that the net has been widened, will the officers concerned have to distinguish between these payments? Will inspections be carried out from time to time to determine the level of compliance? What mechanisms will be used to try to work out whether these types of payments fall under the exempt provisions or under the taxable provisions? Will a detailed analysis be necessary to ensure that the state collects the revenue it is entitled to collect under the Bill?

Mr COURT: Companies are required to keep records under the Federal Government's fringe benefits tax provisions, and similar records would be required for this purpose. The exemption is capped to the economy fare back to the capital city at which one is employed.

Clause put and passed.

Clause 10: Section 3A inserted -

Mr BROWN: This clause expands the scope for the implementation of payroll tax to include the contribution payable by the employer on behalf of a person to a superannuation fund. In one respect I accept the argument used in the second reading speech and in the briefing notes that the contributions being made to superannuation funds will increase over the next five years by virtue of the Superannuation Guarantee Act and could have a dampening effect on wages as more money is skewed off into superannuation and away from direct income. If that happened, the State's reliance on income from payroll tax would be affected by that reduction. However, superannuation is a much broader social issue.

Prior to the policy of the federal Labor Government in the 1980s and 1990s, superannuation was confined very much to public sector workers and to senior people in the private sector. Very few blue collar workers or women received superannuation and it was virtually unheard of for part time employees to receive superannuation. The spread of superannuation was narrow. There were many funny little defined benefit schemes which purported to pay benefits, but did not pay much at all. All of that has changed dramatically since we have had broad mandatory superannuation coverage. The demographics of the country are changing and unless people are compelled or assisted - or both - to make provision for their retirement, the taxpayers of 20 years' time will not have the capacity to fund pension arrangements to the same value as they are funded today, irrespective of which Government is in power.

Superannuation has moved from being exclusive and an add-on to something which is now a necessity and which exists for the social good for future generations, whether retirees in the next 20 years, people in the work force in the next 20 years, or people coming into the work force. Given that is the case, is it appropriate to apply a payroll tax to superannuation? Given this is an impost on employers and all industries facing competition need the dollars to operate, if discretionary dollars are available is it not better for those dollars to go into retirement incomes? I appreciate that poses a significant problem for the State. However, I see this as a tax on a retirement income. I raise this as part of a much broader social issue, particularly in light of the new changes that have been made by the Federal Government in superannuation.

Superannuation is changing dramatically. Superannuation is replacing not only pensions, but also the social security net prior to pensions kicking in. I am not saying it should not be done, and I can see good grounds for it. However, I am wrestling with this question of imposing what is officially a tax on retirement income.

Mr COURT: This is about employer contributions. The employer contributions are included and that lifts the total amount of money the tax is paid on, but the tax rate is lowered. The reason for moving down this path is the trend in some areas to replace a component of the salary with a larger component of superannuation. Basically, this clause is protecting the salary base. Universities are a good example of where there is a trend by employees to put more money into superannuation relative to their salary.

Mr BROWN: I accept that what the Treasurer said is true. I also accept that some people whose children are off their hands have decided, because of the preferable tax regime, to put more money into superannuation. If they choose to do that they are taxed at 30¢ instead of 50¢ in the dollar. Interest earned in a superannuation fund is 50¢ in the dollar while interest earned in the bank is 15¢ in the dollar. Significant tax benefits are available to people who do not need the money now and put it into superannuation.

A number of people have questioned how much money they can put into superannuation and that is the reason the Federal Government has introduced reasonable benefit limits and other methods of capping for the preferential tax system.

If this were a tax which excluded the compulsory aspect - the 6 per cent under the superannuation guarantee legislation - but caught the rest, I could understand the reason for this clause. In other words, people will choose to put between 10 per cent and 30 per cent of their salary into superannuation to give them a tax advantage. In addition, they would assist their employer to avoid payroll tax. I would not support that. I understand the reason that provision is in the legislation. However, I am still wrestling with the provision of this tax in relation to the compulsory aspect of superannuation.

Previously people in a superannuation fund would receive a lump sum when they retired and invariably they would spend it and go on the pension. Federal Governments of all political persuasions will make it harder for people to do that. I am sure that eventually the tax rates imposed on people who want to take out a considerable amount of money from their superannuation will be prohibitive and it will not be worthwhile.

Another change is that superannuation is now being used to supplant unemployment insurance. The Treasurer is aware that provision was made in the 1996-97 federal Budget to require people who fall into retirement after the age of 55, but before the age of 65, and who have superannuation contributions in their account after October this year, to draw down their superannuation contributions instead of getting the benefit they would otherwise get through the Department of Social Security, subject to assets and income tests and other things. It is a substitution for superannuation being used for retirement purposes rather than for the superannuation amount being used for payments otherwise made through Social Security. I am opposed to that, but it illustrates the direction superannuation is taking. I appreciate the dilemma that causes the State Government. Given the changes imposed by the Federal Government and the changes to superannuation and its creeping back to Social Security payments and the displacement of them, I am grappling with how it will make things more difficult.

Mr COURT: I suppose superannuation has been a form of forced saving. The employer is not paying the contribution on top of the salary. It is a component of a wages or salary package. We know that if it were not

compulsory for people to contribute to a superannuation fund a large number of them would not be in the scheme. In the long term it will provide part of the base for meeting people's retirement needs. The member's concern is that it will fritter away more of the existing benefits which are in place. If a person has certain entitlements building up in superannuation he will miss out on other benefits which are currently being received. It is a question of making sure people are not duded. It would be a temptation for Governments to say, "Sorry, buster, you have superannuation and it should keep you comfortable." I do not know as much as does the member for Bassendean on this subject. I do not know what the level of benefits will be in 15 or 20 years' time for people who have contributed in only the last five years. It will not be enough for them to live on and there will have to be a mix between the superannuation they receive and other Social Security benefits they will be paid.

Mr RIPPER: Will the Treasurer explain the meaning of subclause (3)(b)? I read the explanatory memorandum and I cannot see the purpose for that subclause.

Mr COURT: Basically, it ensures that when a contribution is made it is not taxed a second time. It is making sure there is not a double-up of the taxes that are paid.

Mr Ripper: Is it a contribution made by an employee into the superannuation scheme?

Mr COURT: It is where we have deemed an employer to have made a contribution.

Mr Ripper: The employer makes a contribution, but is hit only once?

Mr COURT: Yes.

Clause put and passed.

Clause 11: Sections 3B and 3C inserted -

Mr BROWN: Proposed section 3B(2) states that a fringe benefit that is provided or liable to be provided by a person other than the employer is deemed to be provided by the employer. What does that mean?

Mr COURT: The explanatory notes state that proposed subsection (2) deems fringe benefits that are provided or liable to be provided by a person other than the employer as having been provided by the employer. Under the fringe benefits tax legislation, a fringe benefit includes any benefit provided to or in relation to an employee in respect of the employment of that employee whether provided by the employer, an associate of the employer or a third party arrangement. As these third party provisions are included in the concept of a fringe benefit under the FBTA Act they are not repeated in proposed subsection (2), and as the liability for payroll tax is based on wages paid or payable by an employer it is necessary to deem the benefits to have been provided by an employer to ensure that they are subject to payroll tax.

Mr BROWN: Who might the third parties be? A waiter in a restaurant would be receiving an income by way of wages and from tips, and the employer may or may not know about it.

Mr Court: We cannot get the tips! My advice is that an associated company would be an example of a third party. Company A would employ a person and company B would provide the benefit.

Mr BROWN: Is this provision included for tax reasons or is it a contrivance?

Mr Court: It is picked up in the fringe benefits tax regime. Obviously it occurs in some areas, and we are using the same provision.

Mr BROWN: Proposed subsection (3) deals with a prescribed benefit. It refers to "an arrangement or undertaking, whether formal or informal and whether expressed or implied, with the employer". What is the purpose of an informal arrangement or an implied arrangement, and how does one apply a payroll tax?

Mr COURT: I refer the member to section 3(1) of the principal Act, and paragraph (ca) of the definition of wages. It establishes that the benefit is provided at the behest of the employer.

Clause put and passed.

Clause 12: Section 6 amended and transitional provision -

Mr RIPPER: In part, this clause provides for an exemption from payroll tax when services are provided in another country, after an initial period of six months. Why is this concession considered necessary? Has it been difficult to collect payroll tax? It appears to be money for jam if a tax on such a service can be collected. Why would we bother to forgo that opportunity?

Mr COURT: If a person is paid overseas we receive nothing. If a person is paid locally, but provides the service overseas, he will not be caught in the arrangement.

Mr Ripper: So you are saying that if payroll tax were to be paid on such transactions, the Government would pay the person overseas?

Mr COURT: Yes.

Clause put and passed.

Clause 13 put and passed.

Clause 14: Section 32 amended -

Mr RIPPER: The clause seeks to insert a new subsection limiting an employer's right of objection to a decision by the commissioner. Under the previous clause the commissioner is able to declare an organisation a charitable body. He has the option of declaring it on a particular day or on a day prior to the giving of notice. It is complicated, but it appears he can make a retrospective declaration in some circumstances. It appears that the charitable organisation cannot object to the Taxation Commissioner's exercise of his discretion in determining the date from which that declaration should apply. Why might charitable organisations be denied that right to object to the decision of the commissioner?

Mr COURT: If a charity fails to register, the commissioner has the power to retrospectively exempt it. In that case it has no right of appeal.

Clause put and passed.

Clauses 15 to 17 put and passed.

Clause 18: Schedule 2 added -

Mr BROWN: How will an assessment be made on the value for payroll tax purposes of a defined benefit scheme? Fortunately these schemes are disappearing. Will the benefit be calculated on the basis of the retirement benefit and then calculated back according to a notional benefit that would apply as it would today, or will the tax be calculated on the basis of the actual value of the scheme as if the employee resigned at the time of the calculation? Defined benefit schemes, as members will be aware, are not like simple accumulation schemes which simply operate on the basis of an amount of money standing to one's credit. It operates on the basis of that amount being available to the employee increasing in both amount and as a percentage normally related to the employee's salary each year. Therefore it is quite complex to calculate.

Mr COURT: They are deeming a contribution to be made up-front. It is covered in subclauses (2) and (3) of the schedule. An actuary will make that determination. Subclause (2) deems a notional contribution to be payable in the return period. The amount is worked out according to subclause (3). Subclause (3) requires the notional contribution to be worked out by an actuary and provides the principle on which it is worked out. This principle requires that the amount is sufficient, together with earnings, to provide for the cost to the employer of the entitlement accruing in respect of services performed or rendered in the return period. This principle assumes that a fund to which this clause relates is fully funded. As such, it is irrelevant whether a fund is in surplus or deficit.

Clause put and passed.

Clauses 19 to 24 put and passed.

Clause 25: Section 112A amended -

Mr RIPPER: This relates to the stamp duty concession on shares in Western Australian companies which are traded on overseas stock markets. We had some discussion in the second reading debate about that clause. It seems to me that there is a trade-off between providing for the capital raising requirements of WA companies and forgoing the duty that we might otherwise have available to us. Is there an estimate of what amount of money we would be losing as a result of extending this concession? I suppose we could be losing a theoretical amount of money and a practical amount which would be less than the theoretical amount because of the difficulties involved in collecting duties from overseas traders.

Mr COURT: Seventeen companies have overseas listings. There has not been a high degree of compliance. However, the cost of travelling around the world to try to police them has resulted in our trying to find a more practical resolution.

Mr RIPPER: Are we collecting any money from the 17 companies listed on the overseas stock exchange or are we collecting none?

Mr COURT: We are collecting some moneys; however, it is less than \$100 000 a year. The trend for more of these transactions to occur overseas is growing.

Mr RIPPER: Does it work reciprocally? Will we see companies raising capital on our stock market and paying stamp duty to Western Australia, even though they are not WA companies, or is this a one-way mechanism?

Mr COURT: There are some overseas listings - not many - in Australia. The State would get duty when the shares were traded through brokers here. Australia is not seen as a big source of capital raising.

Mr Ripper: We want to raise capital from others.

Mr COURT: Yes, that is right.

Clause put and passed.

Clause 26 put and passed.

Clause 27: Division 6 of Part IVA inserted -

Ms MacTIERNAN: During the second reading debate I presented my concerns that although the level of revenue that is forgone might be small at the moment, because an incentive was created for avoidance the amount of revenue forgone might increase considerably. I understand it is not possible to quantify that. The Treasurer responded to that concern by saying that he did not believe that was a reality because of the duty affixed to the purchaser. He asked what interest the vendor would have in moving the material offshore in order to provide the purchaser with the benefit. Concern has been raised by the Australian Taxation Office about avoidance. The purchaser-vendor differential is not so strong that the Taxation Office has not recommended to the Government that it put in place an anti-avoidance mechanism; that is, that the shares must be listed on an overseas register for at least six months. If the Treasurer believes that the fact the liability for duty accrues to the purchaser is the answer to this matter, why is the anti-avoidance mechanism of the six month threshold included in the legislation?

Mr COURT: Currently 0.3 of a per cent must be paid for a listed company. If it were done through a broker overseas, overseas duties would have to be paid. If it were done here, in many cases it would just be the seller and purchaser doing a deal directly on some of the larger transactions. What is the member getting at?

Ms MacTIERNAN: The point was that the Treasurer said that because the liability accrued to the purchaser, there was no real possibility of avoidance. However, in the explanatory memorandum, in the second reading speech and in the structure of the legislation the potential for avoidance is recognised. The Government has put in place a mechanism that it believes will thwart avoidance; that is, the requirement that before the exemption can apply the shares to be transferred must be held at the overseas registry for at least six months.

Mr COURT: I am advised the provision is probably seen as an overkill on our behalf, but it is included to send a strong message that we do not want these companies to use registry shuffles to get around these matters.

Clause put and passed.

Clauses 28 and 29 put and passed.

Clause 30: Third Schedule amended and transitional -

Ms MacTIERNAN: When this provision was first announced the focus was very much on Canada and the capital raising opportunities Canada offered for small business. The original announcement mentioned that shares traded through two specified Canadian stock exchanges would be exempt from the duty. In the intervening six months another eight stock exchanges have come on board, some of which are outside Canada. Why did the Government focus in the first instance on two Canadian stock exchanges, and why have the two now expanded to 10? If the interest is purely in expanding opportunities for capital raising, why does the Government not allow it to apply to any recognised stock exchange? What is the basis for selecting these 10 stock exchanges out of all the stocks exchanges around the world?

Mr COURT: The media statement the Government issued on this matter stated that at that stage it was intended that both the Vancouver and Toronto Stock Exchanges would be prescribed; however, other overseas exchanges were also under examination. The Government contacted the Western Australian companies with overseas listings to get a better feel for what exchanges would be covered.

Ms MacTIERNAN: That indicates to some extent that the Government anticipated from the outset that it would broaden the field. However, on what basis has the Government selected these 10 stock exchanges? Why limit the exemption to these stock exchanges? Why not allow the exemption to apply more generally?

Mr COURT: One of the major reasons is that no stamp duty collecting mechanisms were in place in those areas. We wanted to find out what places we had to deal with.

Ms MacTIERNAN: Is this provision not included on the basis of where the State is raising capital? Have these stock exchanges been selected because they are in places where the State does not have a stamp duty collecting mechanism?

Mr COURT: By and large, the member is correct in that we are examining all the different markets and arrangements in place for collections. Others have been included as they are being prescribed on a case by case basis.

Ms MacTIERNAN: This seems odd. We were initially told this provision was to facilitate capital raising as we had particular opportunities in Canada in that regard. However, we find that the markets are selected because we do not have the administrative arrangement in place for capital raising. I would image we are not raising much capital on the New Zealand stock exchange.

Mr Court: They have sheep listings over there!

Ms MacTIERNAN: Some of the rationale given for this provision becomes a little thin when one examines where the exceptions will apply. It is clearly not designed purely to assist in capital raising. Will it be a matter of regulation or simple gazettal for the Treasurer to add further stock exchanges to the prescribed list?

Mr COURT: If there are to be any further ones added, they will be done on a case by case basis.

Ms MacTiernan: By what mechanism?

Mr COURT: The mechanism is prescription, but they would have to make a submission to the Government in that regard.

Ms MacTiernan: What does prescription consist of? Is it required to be a regulation which lies on the Table of the Houses of Parliament.

Mr COURT: It is in proposed subitem (16a)(b). The stock exchange is prescribed for the purposes of this subitem.

Ms MacTiernan: How do we make a new one if one wanted to add the Turkmenistan stock exchange - presuming they have one.

Mr COURT: The company involved would have to approach the Government and explain why it is having difficulty listing on that exchange.

Ms MacTiernan: What do you do?

Mr COURT: We would make a regulation if it was to be accepted by the Government.

Clause put and passed.

Clauses 31 to 35 put and passed.

Clause 36: Section 27 amended and transitional provision -

Ms MacTIERNAN: I understand that this clause fine tunes an amendment made last year which failed to hit the spot. The purpose of the first amendment was to relieve parties to a court action from the seemingly unfair burden of having to stamp a document before they could tender that document in evidence in court, even when they were not the party under the terms of the Act, and from being liable to pay the duty in the first instance. I understand the principles behind the clause. Is this an amendment which might have some unintended consequences?

This relates to a real discipline in ensuring that documents are stamped. The stamp office has some difficulty in tracking down documents and with enforcement unless people surrender their documents voluntarily. A real discipline in this area was traditionally imposed through the liability that if the documents were not stamped, even if one were not the party responsible for the duty, one would be required to pay that duty even if the other party wanted to rely on the instrument. Therefore, in a transaction between a vendor and purchaser, where the purchaser was the party liable to pay the duty, the vendor would insist on the submission of that document to the stamp office.

I am concerned that in the interests of fairness, which at one level one can understand, this clause may undermine a vital cog in the enforcement of stamp duty. We will remove from the non-labile parties the very real incentive to get the documents before the stamp office at the earliest opportunity to ensure they are stamped. I would not be

surprised if the removal of this liability has some negative impact on stamp duty collection as the discipline and incentive for compliance through the non-liable party will be removed. Of course, the liable party has a powerful incentive not to submit the document to the office in the payment of duty.

Mr COURT: There have been no problems to date in relation to this matter. We do not see how it has weakened the legislation. It is an offence with a \$10 000 penalty if one fails to lodge the documents. A late lodgment fine of up to 100 per cent of the duty is applicable, and most documents require registration and must be stamped. No problems have arisen to date in this regard.

Ms MacTIERNAN: I will not labour the point, but that is a pretty naive sort of answer. The whole issue is that the stamp office might not receive the document. One would need a more sophisticated approach in order to determine whether the office had a problem as they do not rock up at the counter. The problem is that the same degree of incentive to take the document to the office will no longer apply.

I realise that fines are involved, a penalty tax applies and non-presentation of these documents risks prosecution. However, as a matter of commercial reality, the major reason that many of these documents arrive at the stamp office is that the non-liable party has a very direct motivation in ensuring that the documents are stamped at the earliest opportunity.

The Treasurer is understandably not so aware of the operations of this commercial world, but he must realise the stamp office staff conduct routine searches of commercial law firms or commercial premises. This system has very much relied on people's voluntarily submission of documents. These changes will cut in half the incentive.

All those parties that previously were not liable for the tax had a huge incentive to ensure it was paid, otherwise they might become liable if they wanted to enforce the document. The incentive has been cut in half. It may be an unintended consequence and it would not present itself to the face of the State Taxation Department but would require sophisticated comparative monitoring of returns over a number of years.

Mr COURT: We have a fully active compliance program with the investigators travelling around the industry.

Ms MacTiernan: How many people?

Mr COURT: There are 28 investigators and we are considering employing more.

Ms MacTiernan: That is amazing.

Mr COURT: Why?

Ms MacTiernan: Compared with some of the other investigations - the Anti-Corruption Commission, for example, has about half of that.

Mr COURT: The question of enforcement is under review as part of the development of the tax administration legislation.

Clause put and passed.

Clauses 37 to 40 put and passed.

Clause 41: Part IVC repealed and a Part substituted and transitional provision -

Ms MacTIERNAN: I am a little perplexed by this provision, which expands the exemptions for aged persons when they enter "certain residential agreements with charitable bodies exempt". I am trying to work out the expansion in this area. Is it because the exemption is no longer confined to charitable bodies per se, and the category will be expanded to include a body established for a similar public purpose? How will a body with a similar public purpose be defined? I am also concerned about the broad definitions of parties on the other side of the equation. A qualified person who may be exempt - presumably the tenant - will include a person who is 55 years of age or over, "or who is or was the spouse of such a person, or who, with such a person, is or was one of a de facto married couple". It could apply to a 45 year old who at some time was married to someone who was 55 years of age. It is a very broad category, and I am surprised that people 55 years old are described as aged. Bearing in mind that a substantial percentage of the population is 70 years or older, is it appropriate to provide special exemptions to people merely because they are 55 years of age?

Mr COURT: They are all being consolidated into one area. They are all provided for under the Act, except for the agreement between the proprietor of a hostel and an eligible person. That relates to hostel care services for the person. Basically, it is consolidation into one area.

Clause put and passed.

Clauses 42 to 48 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mr Court (Treasurer), and transmitted to the Council.

REVENUE LAWS AMENDMENT (TAXATION) BILL

Second Reading

Resumed from 29 May.

Question put and passed.

Bill read time, proceeded through remaining stages without debate and transmitted to the Council.

LIMITATION AMENDMENT BILL

Returned

Bill returned from the Council without amendment.

House adjourned at 11.28 pm

QUESTIONS ON NOTICE

MINISTERIAL OFFICES - MINISTER FOR PRIMARY INDUSTRY

Staff

275. Mr RIPPER to the Minister for Primary Industry; Fisheries:

- (1) What are the names of each staff person working in the Minister's office as at 1 December, 1996?
- (2) What are the names of each staff person working in the Minister's office as at 11 March 1997?
- (3) What are the names and levels of each staff member?
- (4) Which staff members are -
 - (a) full time public servants;
 - (b) part time employees;
 - (c) term of government employees;
 - (d) other; and
 - (e) if other, what type of employment?
- (5) How many of these have a government motor vehicle allocated for their use?
- (6) How many of these have a mobile phone allocated for their use?
- (7) Which of these staff members have a government credit card allocated for their use?

Mr HOUSE replied:

- (1) As at 1 December 1996, the following staff were employed:

Mr A Munro
 Ms K Lynch
 Ms A Murrell
 Mr D Beurle
 Mr K Morison
 Mr J Dedman
 Ms N Trigwell
 Mr M Flugge
 Ms S Clancy
 Mr T Capellutti
 Mr S O'Donoghue
 Ms J Trent
 Ms A Woolhead
 Mr T Phelan
 Ms N McGilvray
 Ms A Pasteur
 Ms J Hill

- (2)-(7) As at 11 March 1997, the following staff were employed:

Mr A Munro	A/Level 9	permanent public servant
Ms K Lynch	A/Level 8	term of government contract
Ms A Murrell	A/Level 8	term of government contract
Mr D Beurle	A/Level 8	permanent public servant
Mr K Morison	Level 7	term of government contract
Mr J Dedman	A/Level 6	permanent public servant
Ms N Trigwell	Level 6	term of government contract
Mr M Flugge	Level 6	fixed term contract
Ms S Clancy	Level 6	fixed term contract
Mr S O'Donoghue	Level 6	permanent public servant
Ms J Trent	Level 4	term of government contract
Ms A Woolhead	A/Level 4	permanent public servant
Mr T Phelan	A/Level 3	permanent public servant
Ms N McGilvray	Level 2	term of government contract
Ms A Pasteur	Level 2	fixed term contract
Ms J Hill	Level 1	term of government contract

Eight of the above have a government motor vehicle allocated to them, 4 have mobile phones (3 for use by all staff) and Mr K Morison had a credit card for business purposes only.

MINISTERIAL OFFICES - MINISTER FOR LABOUR RELATIONS

Staff

278. Mr RIPPER to the Minister for Labour Relations; Planning; Heritage:

- (1) What are the names of each staff person working in the Minister's office as at 1 December, 1996?
- (2) What are the names of each staff person working in the Minister's office as at 11 March 1997?
- (3) What are the names and levels of each staff member?
- (4) Which staff members are -
 - (a) full time public servants;
 - (b) part time employees;
 - (c) term of government employees;
 - (d) other; and
 - (e) if other, what type of employment?
- (5) How many of these have a government motor vehicle allocated for their use?
- (6) How many of these have a mobile phone allocated for their use?
- (7) Which of these staff members have a government credit card allocated for their use?

Mr KIERATH replied:

- (1) As at 1 December 1996, the following staff were employed:

Principal Private Secretary
 Chief Policy Advisor
 Policy Officer - Lands
 Media Secretary
 Policy Officer
 Research Officer
 Executive Officer
 Appointments Secretary
 Liaison Officer
 Liaison Officer - Housing
 Correspondence Officer
 Personal Assistant
 Administrative Assistant
 Receptionists (2)

- (2)-(7) As at 11 March 1997, the following staff were employed:

Chief Policy Advisor	Class 1	term of government contract
Policy Officer	Level 9	permanent public servant
Principal Private Secretary	A/Level 8	permanent public servant
Policy Officer	Level 7	term of government contract
Policy Officer	A/Level 7	term of government contract
Media Secretary	Level 6	term of government contract
Executive Officer	Level 5	permanent public servant
Policy Officer	A/Level 5	permanent public servant
Policy Officer	Level 4 (pt)	term of Minister contract
Liaison Officer	Level 3	term of government contract
Appointment Secretary	A/Level 3	permanent public servant
Research Officer	Level 2	term of Minister contract
Correspondence Officer	Level 2	permanent public servant
Personal Assistant	Level 2	permanent public servant
Administrative Assistant	A/Level 2	permanent public servant
Receptionist	A/Level 2 (pt)	permanent public servant
Receptionist	A/Level 2 (pt)	permanent public servant

Six of the above have government motor vehicles allocated to them, 5 have mobile phones and the Principal Private Secretary and the Executive Officer have government credit cards for official purposes.

MINISTERIAL OFFICES - MINISTER FOR LOCAL GOVERNMENT

Staff

281. Mr RIPPER to the Minister for Local Government; Disability Services:

- (1) What are the names of each staff person working in the Minister's office as at 1 December, 1996?

- (2) What are the names of each staff person working in the Minister's office as at 11 March 1997?
- (3) What are the names and levels of each staff member?
- (4) Which staff members are -
 - (a) full time public servants;
 - (b) part time employees;
 - (c) term of government employees;
 - (d) other; and
 - (e) if other, what type of employment?
- (5) How many of these have a government motor vehicle allocated for their use?
- (6) How many of these have a mobile phone allocated for their use?
- (7) Which of these staff members have a government credit card allocated for their use?

Mr OMODEI replied:

- (1) As at 1 December 1996, the following staff were employed:

Mr J Kime
 Mr S Tweedie
 Ms A O'Brien
 Ms J Fletcher
 Ms J Stepik
 Ms L Neal
 Ms S Mitchell
 Ms G McAlpine

- (2)-(7) As at 11 March 1997, the following staff were employed:

Mr J Kime	A/Level 8	permanent public servant
Mr S Tweedie	Level 7	term of government contract
Mr H Ryan	Level 6	term of government contract
		(shared with Minister for Finance)
Ms A Ellis-Young	Level 7	permanent public servant
Ms J Fletcher	Level 5	permanent public servant
Ms J Stepik	Level 3	permanent public servant
Ms L Neal	Level 3	term of Minister contract
Ms S Mitchell	A/Level 3	permanent public servant
Ms K Robertson	A/Level 2	permanent public servant
Ms D Byers	A/Level 2	fixed term contract

Four of the above have government motor vehicles allocated to them, 4 have mobile phones and Mr J Kime has a government credit card for business purposes.

MINISTERIAL OFFICES - MINISTER FOR HEALTH

Staff

282. Mr RIPPER to the Minister for Health:

- (1) What are the names of each staff person working in the Minister's office as at 1 December, 1996?
- (2) What are the names of each staff person working in the Minister's office as at 11 March 1997?
- (3) What are the names and levels of each staff member?
- (4) Which staff members are -
 - (a) full time public servants;
 - (b) part time employees;
 - (c) term of government employees;
 - (d) other; and
 - (e) if other, what type of employment?
- (5) How many of these have a government motor vehicle allocated for their use?
- (6) How many of these have a mobile phone allocated for their use?
- (7) Which of these staff members have a government credit card allocated for their use?

Mr PRINCE replied:

- (1) As at 1 December 1996, the following staff were employed:

Mr K Humfrey
 Ms J Kirkwood
 Ms V Liakos
 Ms V Millar
 Ms K Stoney
 Ms B Rhodes
 Ms L Hambright
 Ms C Yii
 Ms J Watchman
 Ms N Periera
 Ms J Bowman
 Ms A Moulton

- (2)-(7) As at 11 March 1997, the following staff were employed:

Mr G Hamley	A/Level 8	permanent public servant
Ms J Kirkwood	A/Level 7	permanent public servant
Ms K Stoney	Level 6	term of government contract
Ms B Rhodes	A/Level 5	permanent public servant
Ms V Liakos	A/Level 4	permanent public servant
Ms L Hambright	A/Level 3	permanent public servant
Ms C Yii	Level 3	permanent public servant
Ms J Bowman	A/Level 2	fixed term contract
Ms N Periera	A/Level 2	permanent public servant
Ms A Moulton	Level 1	permanent public servant

Four of the above have government motor vehicles allocated to them, 4 have mobile phones and government credit cards have been issued to the following officers for business purposes:

Mr G Hamley, Ms B Rhodes, Ms C Yii and Ms N Periera

STATE SETTLEMENT PLAN - STRATEGIES

Minister for Resources Development

375. Ms WARNOCK to the Minister for Resources Development; Energy; Education:

- (1) What are the objectives of the Minister's departments' state settlement plan?

- (2) What -

- (a) internal; and
 (b) external,

access strategies have been developed and implemented?

- (3) What -

- (a) financial; and
 (b) human,

resources have been allocated to implement the state settlement plan?

- (4) What consultation process has been undertaken by the Minister's department?

- (5) Who from the -

- (a) community;
 (b) business sector; and
 (c) academic sector,

has been consulted?

Mr BARNETT replied:

- (1) The aim of the Western Australian State Settlement Plan is that migrants are able to participate fully as soon as possible in the community through the provision of necessary settlement services for the community to reap the economic and social benefits of the immigration program. Specifically, the Education Department has provided the following information:

Through the State Settlement Plan, the Education Department responds to issues raised by community members in regards to the education of newly arrived migrant youth. The recently completed review of the Education Department's State Settlement Plan is currently being considered by Corporate Executive. Implementation will occur following formal endorsement.

- (2) (a) Internal Strategies (System, District and School level):
 - Consultative mechanisms and data collection (qualitative and quantitative) to establish issues and develop and evaluate strategies designed to address these issues;
 - Comprehensive dissemination of Education Department's English as a Second Language program information to schools and district offices;
 - Promotion of Translating and Interpreting Service through district offices;
 - Promotion of culturally inclusive curriculum practice; and
 - Comprehensive professional development targeting English as a Second Language Staff.
- (b) External Strategies (Cross-agency):
 - Comprehensive dissemination of Education Department's English as a Second Language program information to other government and non-government agencies, including the Ethnic Communities Council;
 - Promotion of Translating and Interpreting Service through schools' English as a Second Language programs and professional development forums;
 - Providing consultations to outside agencies such as Ethnic Communities Council, Migrant Resource Centres, Office of Multicultural Interests, Catholic Education Office and Ethnic Child Care Resource Unit.
- (3) (a) The Department allocates resources for services to newly arrived students as part of the Commonwealth - State agreement for Commonwealth Programs for Schools through its annual budget planning process. Resources allocated to State Settlement Plan strategies are subsumed within the Department's ongoing commitment to students from culturally and linguistically diverse backgrounds and are delivered through the curriculum or through such specialist programs as English as a Second Language and Languages Other Than English.
- (b) The Department is represented on the State Settlement Planning Committee by an officer with responsibility for State settlement planning issues. Three officers participate on the Education Working Party, a cross-agency committee which addresses the State Settlement Plan in the context of education.
- (4) The State Settlement Plan working party for the education of newly arrived migrant youth consults widely with the community to establish issues and evaluate the strategies developed to address those issues. The Ethnic Communities Council, which is one of the consultative forums, has its own consultative mechanisms.
- (5) (a) Ethnic Communities Council;
Migrant Resource Centres (Private and Government);
Office of Multicultural Interests;
Ethnic Child Care Resource Unit;
Migrant Clients; and
Grant in Aide Workers.
- (b) The business sector is not considered appropriate in determining issues and strategies in the provision of education for newly arrived migrant youth.
- (c) Westralian Association of Teachers of English to Speakers of Other Languages Incorporated (WATESOL);
Catholic Education Office; and
Association of Independent Schools of Western Australia (AISWA).

STATE SETTLEMENT PLAN - STRATEGIES

Minister for the Arts

388. Ms WARNOCK to the Minister representing the Minister for the Arts:

- (1) What are the objectives of the Minister's department's state settlement plan?
- (2) What -
 - (a) internal; and
 - (b) external,

access strategies have been developed and implemented?

(3) What -

- (a) financial; and
- (b) human,

resources have been allocated to implement the state settlement plan?

(4) What consultation process has been undertaken by the Minister's department?

(5) Who from the -

- (a) community;
- (b) business sector; and
- (c) academic sector,

has been consulted?

Mrs EDWARDES replied:

The Minister for the Arts has provided the following response -

Not relevant to agencies within the portfolio of Arts.

STATE SETTLEMENT PLAN - STRATEGIES

Attorney General

390. Ms WARNOCK to the Minister representing the Attorney General:

(1) What are the objectives of the Attorney General's department's state settlement plan?

(2) What -

- (a) internal; and
- (b) external,

access strategies have been developed and implemented?

(3) What -

- (a) financial; and
- (b) human,

resources have been allocated to implement the state settlement plan?

(4) What consultation process has been undertaken by the Attorney General's department?

(5) Who from the -

- (a) community;
- (b) business sector; and
- (c) academic sector,

has been consulted?

Mr PRINCE replied:

The Attorney General has provided the following reply -

Not relevant to the agencies within the portfolio of Attorney General.

STATE SETTLEMENT PLAN - STRATEGIES

Minister for Justice

392. Ms WARNOCK to the Parliamentary Secretary to the Minister for Justice:

(1) What are the objectives of the Minister's department's state settlement plan?

(2) What -

- (a) internal; and
- (b) external,

access strategies have been developed and implemented?

(3) What -

- (a) financial; and
- (b) human,

resources have been allocated to implement the state settlement plan?

(4) What consultation process has been undertaken by the Minister's department?

(5) Who from the -

- (a) community;
- (b) business sector; and
- (c) academic sector,

has been consulted?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply -

Not relevant to the agencies within the portfolio of Justice.

SHARK BAY - WORLD HERITAGE LISTING

Premier's Guarantee

460. Dr EDWARDS to the Premier:

- (1) What consideration has been given by Government to prohibiting mining in World Heritage listed areas of the State?
- (2) Will the Government guarantee that Shark Bay will not be subject to intensive exploration or mining given its World Heritage listing?
- (3) How can the integrity of the Shark Bay area be preserved, as guaranteed by the Premier, without ruling out all future drilling ?

Mr COURT replied:

- (1)-(3) Exploration and mining are permissible subject to environmental assessment which is to have regard to the Word Heritage values. Shell extraction is specifically provided for in plans approved for the Shark Bay World Heritage area.

SHARK BAY - OIL EXPLORATION LICENCE

Consultation between Government Departments

464. Dr EDWARDS to the Minister representing the Minister for Mines:

- (1) What consultation took place between the Department of Minerals and Energy and the Department of Environmental Protection prior to the exploration licence being granted?
- (2) Is it the policy of the Department of Minerals and Energy to take into account unusual or significant factors such as World Heritage listing when considering whether or not an exploration licence should be granted?
- (3) If not, why not?

Mr BARNETT replied:

The Minister for Mines has provided the following response:

- (1) On the presumption that Dr Edwards is referring to Petroleum Exploration Permit 406 in Shark Bay, it should be emphasised that the grant of this exploration permit does not allow the permit holders to carry out any exploration activities. Rather, the grant merely secures the area for the permit holders against competing interests and provides the Government with a vehicle by which any subsequent proposals for exploration can be properly assessed by the Environmental Protection Authority and, if found to be environmentally acceptable, allowed to proceed.

Under procedures existing at the time of the grant of EP406 in November 1996, consultation between the Department of Minerals and Energy (DME) and the appropriate environmental agencies would take place when the permit holders had, subsequent to the grant, submitted a proposed exploration program for assessment under the Environmental Protection Act. To date, the permit holders have not submitted their proposed exploration program.

- (2) Yes. In recognition of public concern about exploration in areas such as Shark Bay, procedures have recently been modified to ensure that consultation between DME and the appropriate environmental agencies will take place when consideration is being given to the granting of a petroleum exploration permit in an area possessing unusual or significant environmental values. This is notwithstanding the fact, as explained, that the grant of a petroleum exploration permit does not allow exploration activities to commence until the required environmental clearances have been given.
- (3) Not applicable.

FORESTS AND FORESTRY - AREA

Ownership and Nature

641. Mr PENDAL to the Minister for the Environment:

- (1) What is the approximate number of hectares in Western Australia which remain as -
 - (a) forests; and
 - (b) woodlands?
- (2) Of these what area is regarded as high forest?
- (3) Of this figure what area is -
 - (a) State forest and timber reserves;
 - (b) National Parks;
 - (c) any other public ownership; and
 - (d) privately owned?
- (4) What area of Western Australia is currently under softwood plantations of all kinds?
- (5) Of the area described in question (4) above, what area is -
 - (a) State owned;
 - (b) privately owned?

Mrs EDWARDES replied:

- (1) (a) 2.1 million hectares
(b) approximately 20 million hectares
- (2) 2.1 million hectares
- (3) (a) 1.32 million hectares
(b) 0.19 million hectares
(c) 0.40 million hectares
(d) 0.19 million hectares
- (4) 87,500 hectares
- (5) (a) 70,300 hectares
(b) 17,200 hectares

PARKS AND RESERVES - CROWN

Revenue from Sale

702. Dr EDWARDS to the Minister for Lands:

- (1) How many Crown Reserves were sold in -
 - (a) 1994-95; and
 - (b) 1993-94?
- (2) What was the revenue received by the Government from the sale of these reserves?

Mr SHAVE replied:

- (1) The following number of reserves, which were surplus to Government requirements, were sold:
 - (a) 39
 - (b) 79
- (2)
 - (a) \$6,037,740
 - (b) \$11,578,496

CRIMINAL CODE AMENDMENT (RACIST HARASSMENT AND INCITEMENT TO RACIAL HATRED)
ACT - CHARGES

778. Ms WARNOCK to the Parliamentary Secretary to the Minister for Justice:

How many charges have been laid under the Criminal Code Amendment (Racist Harassment and Incitement to Racial Hatred) Act 1990 in -

- (a) 1993;
- (b) 1994;
- (c) 1995;
- (d) 1996?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply -

I refer the member to part (1) of question 779 of 1997.

CRIMINAL CODE AMENDMENT (RACIST HARASSMENT AND INCITEMENT TO RACIAL HATRED)
ACT - PROSECUTIONS

779. Ms WARNOCK to the Minister representing the Attorney General:

- (1) How many prosecutions have taken place under the Criminal Code amendment (Racist Harassment and Incitement to Racial Hatred) Act 1990 in -
 - (a) 1993;
 - (b) 1994;
 - (c) 1995;
 - (d) 1996?
- (2) Will the Minister consider reviewing the above Act with the aim of making it more effective?

Mr PRINCE replied:

The Attorney General has provided the following reply -

- (1) (a)-(d) Nil.
- (2) I do not regard a lack of prosecutions as a measure of ineffectiveness. It is often quite the opposite.

POLICE - SEXUAL ABUSE COMPLAINTS

Statistics

787. Ms ANWYL to the Minister for Police:

- (1) I refer to sexual abuse complaints made to police for the years -

- (a) 1994;
- (b) 1995;
- (c) 1996;
- (d) 1997,

and ask how many of the complainants are -

- (i) under the age of 17 years;
- (ii) under the age of 14 years;
- (iii) under the age of 12 years;
- (iv) under the age of 10 years?

- (2) What was the gender of those in 1(i) to (iv) above?

- (3) Is it possible to state the source of complaint, ie whether private, government or other agency?

Mr DAY replied:

The Commissioner for Police has provided the following response:

As there is no specific offence of 'sexual abuse', a combination of the following offences have been included in the statistical information provided: incest, indecent assault, sexual penetration, aggravated sexual penetration, indecent dealing and aggravated indecent assault.

(1)-(2)

YEAR	Under 17 years		Under 14 years		Under 12 years		Under 10 years	
	Female	Male	Female	Male	Female	Male	Female	Male
1994	1447	598	977	475	755	329	587	242
1995	1430	339	1083	274	801	224	591	127
1996	1071	406	794	339	567	254	446	189

SPORT AND RECREATION - WOODMAN POINT RECREATION CENTRE

Asbestos Levels - Report

802. Mr CARPENTER to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) How old is the asbestos in the Woodman Point Recreation Centre?
- (2) When was this asbestos last tested?
- (3) Has a report on the asbestos levels at this centre been compiled by the Building Management Authority?
- (4) If so, what were the recommendations?
- (5) Can the Minister give an assurance to parents that the asbestos in this centre is safe?

Mr MARSHALL replied:

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

- (1) It is understood the original fabric of the buildings was replaced by asbestos in the 1950s. An exact date is not known.
- (2)-(4) In 1991, the then Building Management Authority provided a report on the roofs. They were found to be at various stages of deterioration but not requiring immediate attention. However, funds were approved for the encapsulation of the roofs but were subsequently withdrawn because it was considered that roofs should be replaced rather than encapsulated when they reached a level of deterioration requiring maintenance.

The Recreation Camps and Reserve Board, the managing body of the camp, has requested that the Department of Contracts and Management Services arrange for an asbestos audit of the entire camp including an update of the 1991 report, so that appropriate action for the asbestos roofs can be determined. The audit will also determine the current condition of any other asbestos fabric. It is expected that the report will be completed by the end of May 1997.
- (5) There is no reason to currently indicate that the asbestos fabric is unsafe. When the updated report is completed, any recommendations will be immediately considered and acted upon as necessary

PRISONS - PRISONERS

Remand - Cases Dropped

804. Mr RIPPER to the Minister representing the Attorney General:

On how many occasions last year did people spend time in prison on remand when their cases were eventually dropped by the Director of Public Prosecutions?

Mr PRINCE replied:

The Attorney General has provided the following reply -

Twelve.

FORESTS AND FORESTRY - TIMBER PRODUCTION

Costs and Income

811. Mr MASTERS to the Minister for the Environment:

- (1) Recognising that the environment movement has often claimed that the taxpayers of Western Australia subsidise productive forestry operations in Western Australia's state forests, what are the actual costs of managing our timber production state forests of south west Western Australia and what is the total income to the Government (royalties, fees, etc) derived from the various productive forestry industries?
- (2) Recognising that the environment movement has often claimed that many logs sent to the Diamond Chip Mill for conversion into woodchips are actually suitable for the production of higher value sawn timber, what is the Department of Conservation and Land Management's policy on the ability of logs delivered to the chip-mill to be chosen by an operator of a sawmill and diverted away from the chief mill to the sawn timber mill?

Mrs EDWARDES replied:

- (1) The financial statements in the table titled "Program Schedule of Expenses and Revenues for the Year ended 30 June 1996" of the Department of Conservation and Land Management's 1995-96 annual report (page 69) contains the following information for the Forest Resources Program.

	(\$ 000's)
Total Cost of Services	123,923
Total Operating Revenue	141,308
Net Cost of Services - profit	17,385

- (2) The Department of Conservation and Land Management (CALM) sells sawlogs to sawmills through sale contracts which specify log specifications for various grades of log timber. These logs are harvested and delivered to log buyers as an integrated operation by independent harvesting contractors employed by CALM. Harvesting concentrates on the highest quality log products with the balance sold as lower quality logs and forest residues. Low quality karri and marri sawlogs are sold to sawmillers under a system of "buyers choice" whereby those buyers have the opportunity to specify and select those logs which they deem are appropriate for sawing. Logs not suitable for sawmilling are delivered to the Diamond Chip Mill. This segregation takes place at the bush landing in the forest. Management at the Diamond Mill segregate any logs which may contain potential sawn timber. These logs are initially processed through a saw, and flitches containing sawn timber removed for further processing into sawn timber. The balance is then chipped.

COMMITTEES AND BOARDS - MEMBERSHIP

Statistics

831. Mr BROWN to the Minister representing the Minister for Mines:

- (1) What boards, committees or the like in each portfolio under the Minister's control provide a sitting fee, or other payment, to board or committee members?
- (2) What is the name of each board and/or committee?
- (3) What are the names of the members of each board and/or committee?
- (4) How much is each member of the board and/or committee paid for their services?

Mr BARNETT replied:

The Minister for Mines has provided the following response -

- (1)-(2) Minerals and Energy Research Institute of Western Australia (MERIWA) Board of Directors
Minerals Research Advisory Committee (MRAC)
Coal Industry Tribunal of Western Australia
Coal Mines Accident Relief Fund Trust (CMARFT) and Accident Committee
Coal Industry Superannuation Board

- (3) MERIWA Board of Directors
Dr Colin Branch (Chairperson)
Mr Rowley Butters
Prof Alan Billings
Mr Rex Baker

MRAC	
Mr John Roberts (Chairperson)	Mr David Stribley
Prof Odwyn Jones	Dr Ronald Blanks
Mr Gary Johnson	Prof Robert Pidgeon
Dr Alison Ord	Prof Chris Powell
Dr Norman Stockton	Mr Andrew Padman
Mr William Sashegyi	Prof Pat Garnett
Dr Don Martin	

COAL INDUSTRY TRIBUNAL OF WA

Mr Gavin Fielding (Chairperson)
Mr Paul Zorzi (Deputy Chairperson)
Mr John Blackburn
Mr Tom Kuzman
Two Union Representatives (The relevant union nominates a representative for each issue dealt with by the Tribunal)

CMARFT Trustees
Mr Robert Ferguson (Chairman)
Mr Barry Jack
Mr Gary Wood

CMARFT Accident Committee
Mr Kim Addis
Mr Joseph Borlini
Mr Kevin Bray
Mr Ross Hebbard
Mr Robert Payne

COAL INDUSTRY SUPERANNUATION BOARD

Mr G R Gillies
Mr G N Wood
Mr M Pokrywka
Mr R D Banks
Mr B J Kelly

- (4) MERIWA Board
Chairperson not paid: others receive \$562.50 per quarter

MRAC Members
Chairperson is paid \$97 per meeting and only one member receives a payment of \$73 per meeting. The other members are honorary.

COAL INDUSTRY TRIBUNAL OF WA

The Chairperson is paid a retaining fee of \$4 500 pa, the Deputy Chairperson is paid an attendance fee of \$145 per day and the remainder are paid \$73 for half a day and \$108 for a full day.

CMARFT Trustees and Accident Committee Members
All are paid an attendance fee of \$13 per meeting.

COAL INDUSTRY SUPERANNUATION BOARD

Chairman is not paid.
Other members:
Mileage and Travelling - Public Service rates
Board Meeting Fees - Category 'C' Boards and Committees.

GOVERNMENT ADVERTISING - DEPARTMENTS AND AGENCIES

Expenditure

853. Mr BROWN to the Minister representing the Minister for Mines:

- (1) How much did each department and agency under the Minister's control spend on -
- (a) television advertising;
 - (b) radio advertising; and
 - (c) newspaper advertising,

between 1 July 1996 and 30 March 1997?

(2) How much does each department and agency under the Minister's control plan to spend on -

- (a) television advertising;
- (b) radio advertising; and
- (c) newspaper advertising,

between 1 April 1997 and 30 June 1997?

Mr BARNETT replied:

The Minister for Mines has provided the following response -

- (1) (a)-(b) Nil.
(c) \$395 060.88.
- (2) (a)-(b) Nil.
(c) \$132 000

GOVERNMENT ADVERTISING - DEPARTMENTS AND AGENCIES

Allocation

895. Mr BROWN to the Minister representing the Minister for Mines:

- (1) How much has each department and agency under the Minister's control allocated to advertising in the 1997-98 financial year?
- (2) What is the purpose of the advertising?

Mr BARNETT replied:

The Minister for Mines has provided the following response -

- (1) \$500 000.
- (2) Advertising requirements of the Native Title Act.

GOVERNMENT INSTRUMENTALITIES - POLLING AND MARKET RESEARCH

Statistics

905. Mr BROWN to the Minister for Primary Industry; Fisheries:

- (1) How much has been allocated by each department and agency under the Minister's control for -
 - (a) public opinion polling;
 - (b) market research;
 - (c) customer research; and
 - (d) stakeholder research,
 in the 1997-98 financial year?
- (2) What is the precise nature of the polling and/or research that will be undertaken by each department and agency?

Mr HOUSE replied:

- (1)-(2) The information sought by the member will require considerable investigation and perusal of agency files. I am not prepared to allocate the resources that would be needed, but would be happy to look at any specific case that the member might wish to put forward.

GOVERNMENT INSTRUMENTALITIES - POLLING AND MARKET RESEARCH

Statistics

916. Mr BROWN to the Minister representing the Minister for Mines:

- (1) How much has been allocated by each department and agency under the Minister's control for -
 - (a) public opinion polling;
 - (b) market research;
 - (c) customer research; and

- (d) stakeholder research,
in the 1997-98 financial year?
- (2) What is the precise nature of the polling and/or research that will be undertaken by each department and agency?

Mr BARNETT replied:

The Minister for Mines has provided the following response:

- (1) (a)-(c) Nil.
(d) \$20,000.
- (2) To reassure community confidence in their safety regarding dangerous goods. It relates to a key performance indicator of the Department's public safety (dangerous goods) program which administers the Explosives and Dangerous Goods Act.

GOVERNMENT CONTRACTS - NUMBER AND DETAILS

937. Mr BROWN to the Minister representing the Minister for Mines:

- (1) With the exception of employment contracts, how many contracts for services, involving a total payment of \$40 000 or more, has each department and agency under the Minister's control entered into between 1 September 1996 and 31 March 1997?
- (2) What is -
 - (a) the name of each contractor;
 - (b) the amount of the contract;
 - (c) the purpose of the contract;
 - (d) the date on which the contract was entered into; and
 - (e) the date on which the contract is scheduled for completion?

Mr BARNETT replied:

The Minister for Mines has provided the following response:

- (1)-(2) Government agencies routinely contract external providers to undertake a range of services in support of the delivery of their programs. Given the large number of contractual arrangements in place at any time, the details sought are not readily available. I am not prepared to direct considerable resources to obtain this information. However, if the member has a specific query, I will have the matter investigated.

GOVERNMENT CONTRACTS - NUMBER AND DETAILS

941. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) With the exception of employment contracts, how many contracts for services, involving a total payment of \$40 000 or more, has each department and agency under the Minister's control entered into between 1 September 1996 and 31 March 1997?
- (2) What is -
 - (a) the name of each contractor;
 - (b) the amount of the contract;
 - (c) the purpose of the contract;
 - (d) the date on which the contract was entered in to; and
 - (e) the date on which the contract is scheduled for completion?

Mr BRADSHAW replied:

The Minister for Tourism has provided the following response -

- (1)-(2) See answer to question 937.

GOVERNMENT CONTRACTS - NUMBER AND DETAILS

943. Mr BROWN to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) With the exception of employment contracts, how many contracts for services, involving a total payment of \$40 000 or more, has each department and agency under the Minister's control entered into between 1 September 1996 and 31 March 1997?

(2) What is -

- (a) the name of each contractor;
- (b) the amount of the contract;
- (c) the purpose of the contract;
- (d) the date on which the contract was entered in to; and
- (e) the date on which the contract is scheduled for completion?

Mr MARSHALL replied:

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

(1)-(2) See answer to question 937.

GOVERNMENT INSTRUMENTALITIES - CRITICAL COMMENT

Auditor General

965. Mr BROWN to the Minister representing the Minister for Mines:

- (1) Since 1 July 1995 has any department or agency under the Minister's control received a critical comment, letter or direction from the Auditor General?
- (2) If so -
 - (a) what department or agency;
 - (b) when did the Auditor General make the critical comment;
 - (c) what were the precise circumstances that gave rise to the critical comment;
 - (d) how did the circumstances come about; and
 - (e) who was responsible?
- (3) When did the matter first come to the Minister's attention?
- (4) Did the Minister make the Parliament aware of the matter when it came to his attention?
- (5) If not, why not?

Mr BARNETT replied:

The Minister for Mines has provided the following response:

Government departments and agencies periodically receive reports, comments and opinions from the Auditor General. All chief executive officers should be aware of matters raised by the Auditor General in relation to their agencies and take appropriate action in accordance with their statutory obligations under the Public Sector Management Act and the Financial Administration and Audit Act. The Auditor General regularly reports to Parliament and the opinion of the Auditor General is required to be included in the annual reports of all government agencies when they are tabled. Should the member care to raise any specific matters in relation to the Auditor General and the agencies under my portfolio, I would be happy to have them investigated.

GOVERNMENT INSTRUMENTALITIES - CRITICAL COMMENT

Auditor General

969. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) Since 1 July 1995 has any department or agency under the Minister's control received a critical comment, letter or direction from the Auditor General?
- (2) If so -
 - (a) what department or agency;
 - (b) when did the Auditor General make the critical comment;
 - (c) what were the precise circumstances that gave rise to the critical comment;
 - (d) how did the circumstances come about; and
 - (e) who was responsible?
- (3) When did the matter first come to the Minister's attention?
- (4) Did the Minister make the Parliament aware of the matter when it came to his attention?
- (5) If not, why not?

Mr BRADSHAW replied:

The Minister for Tourism has provided the following response -

(1)-(5) See answer to question 965.

GOVERNMENT INSTRUMENTALITIES - CRITICAL COMMENT

Auditor General

971. Mr BROWN to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) Since 1 July 1995 has any department or agency under the Minister's control received a critical comment, letter or direction from the Auditor General?
- (2) If so -
 - (a) what department or agency;
 - (b) when did the Auditor General make the critical comment;
 - (c) what were the precise circumstances that gave rise to the critical comment;
 - (d) how did the circumstances come about; and
 - (e) who was responsible?
- (3) When did the matter first come to the Minister's attention?
- (4) Did the Minister make the Parliament aware of the matter when it came to his attention?
- (5) If not, why not?

Mr MARSHALL replied:

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

(1)-(5) See answer to question 965.

GOVERNMENT VEHICLES - LEASING

Payments

1001. Mr BROWN to the Minister representing the Minister for Mines:

- (1) In each department and agency under the Minister's control which leases motor vehicles, does the lease provide for any payments other than the monthly payment?
- (2) What payment does each department and agency have to make for each vehicle other than the monthly payment?
- (3) What is the total cost of those payments for each department and agency?

Mr BARNETT replied:

The Minister for Mines has provided the following response -

- (1) No.
- (2) Insurance.
- (3) \$40 500.

FORESTS AND FORESTRY - GIBLETT BLOCK

Export of Karri

1008. Dr EDWARDS to the Minister for the Environment:

- (1) Is it correct that some or all of the old growth karri trees to be taken from Giblett block as sawlogs are in fact destined for export to South Africa to be used as mine stays?
- (2) If yes -
 - (a) how much karri from Giblett will be used for this purpose;
 - (b) what is the total volume for this export market;
 - (c) which company holds the contract for this export;

- (d) has the Minister approved this use of these old growth karri trees;
- (e) if yes, why has approval been given for this use of a world famous, unique and disappearing old growth forest?

Mrs EDWARDES replied:

- (1)-(2) Companies which purchase log timber from CALM are not required to advise specifically into which markets the processed timber products will be sold. It is therefore not possible to answer the question definitively. The most recent figures from the Australian Bureau of Statistics indicate that in 1995/96 111 cubic metres of sawn karri was exported to South Africa.

INSURANCE - STATE GOVERNMENT INSURANCE OFFICE

Fire Fighters' Cover

1022. Ms MacTIERNAN to the Minister for Emergency Services:

- (1) Has the State Government Insurance Office agreed to provide, under its Local Government Bush Fire Insurance Policy, coverage for fire fighters who are with incorporated brigades?
- (2) Is the Minister aware of local authorities with volunteer brigades who are covered by insurers other than the SGIO?
- (3) What steps have been taken to investigate whether volunteer fire fighters with incorporated brigades attached to local authorities not insured by the SGIO have adequate personal, property, injury and public liability insurance?

Mr DAY replied:

- (1) Yes. The insurance provided for volunteer bush fire fighters (pursuant to Section 37 of the Bush Fires Act 1954) under SGIO's Local Government Bush Fire Insurance Policy covers those volunteers regardless of whether their bush fire brigades are incorporated or not.
- (2) Yes.
- (3) The situation outlined in answer (1) applies to all insurance policies for volunteer bush fire fighters taken out pursuant to Section 37 of the Bush Fires Act 1954. Incorporation of brigades is one of the issues under consideration by an interagency committee which I established in April to examine and make recommendations to me on volunteer insurance and compensation matters. The objectives of the committee are:

- to identify and address problems relating to volunteer insurance and compensation;
- to recommend the content for the proposed new Volunteer Insurance legislation;
- to identify all sections of various Acts and Regulations which will need to be repealed;
- any matters that the committee identify that needs to be addressed.

The committee is expected to finalise its recommendations within four months.

WATER RESOURCES - SOUTHERN METROPOLITAN COASTAL WATERS STUDY

1048. Mr McGOWAN to the Minister for the Environment:

- (1) When does the Government plan to respond to the Southern Metropolitan Coastal Waters Study?
- (2) Will the Government commit itself to fulfilling each of the recommendations contained within SMCWS?
- (3) Which recommendations is the Government opposed to?
- (4) Which recommendations will the Government support?
- (5) When will the Government be upgrading effluent treatment at Woodman's Point to secondary or tertiary treatment?

Mrs EDWARDES replied:

- (1) The Environmental Protection Authority, with assistance from the Department of Environmental Protection, will shortly commence a formal consultative process to seek community and industry views before finalising

the environmental management response and the draft recommendations of the Southern Metropolitan Coastal Waters Study (SMCWS) Final Report. This will take the form of a comprehensive coastal waters management package which will be presented to Government for endorsement. The Government will respond after it has considered the package prepared by the EPA.

- (2)-(4) The recommendations contained in the SMCWS Final Report are all draft. The Government will respond to the draft recommendations once it has considered the package to be prepared by the EPA as described in the answer to question 1.
- (5) This question should be directed to the Minister for Water Resources.

POLICE - GERALDTON

Number of Officers

1049. Mr McGOWAN to the Minister for Police:

- (1) How many police officers are based in Geraldton?
- (2) What are their operational categories?
- (3) How many officers are there in each operational category?

Mr DAY replied:

- (1) 97.
- (2) Commissioned Officers, General Duties, Traffic, Detectives, Forensic, Prosecuting, Community Policing, Training and Alcohol and Drug Liaison.
- (3) Whilst the District Officer retains and exercises the authority to deploy his resources as required the number of officers currently in each operation category is:

Commissioned Officers	4
District Office Support	2
General Duties	61
Traffic	13
Detectives	6
Forensic	2
Prosecuting	2
Community Policing	4
Training	1
Alcohol and Drug Liaison	2

POLICE - ROCKINGHAM

Number of Officers

1052. Mr McGOWAN to the Minister for Police:

- (1) How many police officers are based at Rockingham?
- (2) What are their operational categories?
- (3) How many officers are there in each operational category?

Mr DAY replied:

- (1) 56.
- (2)-(3)
- | | |
|---|----|
| Detectives | 6 |
| District Support Group (traffic and general duties) | 14 |
| General duties | 24 |
| Temporary rotational probationary constables | 4 |
| Training officer | 1 |
| Aboriginal Police Liaison officers | 2 |
| Police and Citizens Youth Club | 1 |
| Community Policing | 1 |
| School based | 1 |
| Prosecuting | 2 |

All officers can be utilised operationally.

POLICE - STATIONS

Claremont - Number of Officers

1110. Mr McGOWAN to the Minister for Police:

- (1) How many police officers are based at the Claremont police station?
- (2) In which operational categories are they and in what numbers?

Mr DAY replied:

- (1) 17.
- (2) 12 officers carry out general duties and five are detectives.

POLICE - STATIONS

Nedlands - Number of Officers

1111. Mr McGOWAN to the Minister for Police:

- (1) How many police officers are based at the Nedlands police station?
- (2) In which operational categories are they and in what numbers?

Mr DAY replied:

- (1) Four.
- (2) All are general duties personnel.

POLICE - STATIONS

Subiaco - Number of Officers

1112. Mr McGOWAN to the Minister for Police:

- (1) How many police officers are based at the Subiaco police station?
- (2) In which operational categories are they and in what numbers?

Mr DAY replied:

- (1) 12.
- (2) All are general duties personnel.

TRAFFIC - ACCIDENTS

\$1000 Reportable Accident Limit

1118. Mrs ROBERTS to the Minister for Police:

- (1) Can the Minister give any assurance that the \$1 000 figure used to assess reportable road traffic accidents will not be extended further to alleviate police attention to the extremely bad drivers, or those driving under P plates, who may be potential killers on our roads?
- (2) Will the Minister verify that police policy is that a traffic offence will not be prosecuted by police if the damage is under the \$1 000 figure?

Mr DAY replied:

- (1) Responsibility for the Road Traffic Act including legislative amendment is that of the Minister for Transport.
- (2) The Police Service has advised that:
 - (a) where a minor crash is reported and the damage incurred is below the mandatory value required for the crash to be reported under the Act then, unless there are extenuating circumstances, the matter may be filed without further investigation.

Extenuating circumstances includes - evidence of reckless or dangerous driving; evidence of driving under the influence; unlicensed driver or vehicle; evidence of driving under suspension; and crashes involving injury to the person regardless of property damage value.

- (b) prosecution for any offence is not dependent on value unless otherwise provided in statute.
- (c) all crash reports are accepted by police regardless of property damage value.

POLICE - SAFETY ON TRAINS

Improvement

1119. Mrs ROBERTS to the Minister for Police:

Given the fact 76.6 per cent of the public who the police have a commitment to protect and serve have stated to police that they do not feel safe on trains after dark, what commitment does the Western Australia Police Force have to these members of the public who feel threatened by train travel?

Mr DAY replied:

Policing on trains is specifically carried out by Westrail Security who have a direct link with Police Communications Branch and work in conjunction with police throughout the metropolitan area. Where specific problems emerge or particular crime trends associated with train travel develop, the police in consultation with Westrail Security personnel mount special operations. On the Central Railway Station concourse these efforts are further bolstered by regular foot patrols and monitored video surveillance.

POLICE - FIREARMS TRAINING

Monitoring

1121. Mrs ROBERTS to the Minister for Police:

- (1) In the interest of police and public safety, what expenditure is being spent on police firearm training?
- (2) How frequently are police being examined on their firearm competency?
- (3) What is the ratio of police who do not pass the competency test?
- (4) How many police officers have failed the firearms test twice in succession?
- (5) Do the same conditions apply to service police officers in country regions as the metropolitan area?
- (6) Are the current pistols in use by the Western Australia Police Force suitable for present day use?
- (7) Is it contemplated that the present type of firearm will be changed in the near future?

Mr DAY replied:

- (1) \$660,000 per annum.
- (2) Twice per annum.
- (3) Three per cent per annum.
- (4) One per cent.
- (5)-(7) Yes.

POLICE - INSIGNIA

Change

1122. Mrs ROBERTS to the Minister for Police:

- (1) Can the Minister please advise who was the instigator behind the change of the police insignia from "Dieu et Mon Droit" to "Protect and Serve"?
- (2) What is the cost financially to effect this change?
- (3) Are police to continue wearing the insignia with both inscriptions?
- (4) Did the Police Union have any input into this change?

Mr DAY replied:

- (1) Records indicate that a change in motto was first suggested by a police officer in 1986. The suggestion was again raised by the same officer in 1993, at which time it was progressed under the banner of the Delta Program with the Commissioner's approval. The Motto "Protect and Serve" was chosen after the work-force was surveyed to identify their preferred options.
- (2) The estimated cost of this change was \$2,900, being the cost of the artwork involved. Changes to stationery, shoulder patches etc will not occur until old stocks are exhausted. This will prevent any wastage. Permanent items such as wall plaques will be updated on a priority basis as finance becomes available.
- (3) A guiding principle in this change process has been to exhaust old stocks before introducing stocks bearing the new motto. That being the case, there will be some police officers who, in the short term, may continue to wear combinations of the old and new insignia. This is being addressed through the normal uniform replacement process. In respect to police uniforms, it is estimated that the change to the new motto should be completed in 18 months time.
- (4) No. However, an internal survey was conducted by the Western Australia Police Service to canvass the views of members of the organisation to ascertain their preferred options for a motto.

COMMITTEES AND BOARDS - MINING

Membership

1131. Dr CONSTABLE to the Minister representing the Minister for Mines

- (1) With reference to the Minister's answer to question on notice 41 of 1997, who are the current members and chairpersons of the following committees and boards -
 - (a) Mines Occupational Safety and Health Advisory Board;
 - (b) Western Australian Coal Industry Tribunal;
 - (c) Coal Industry Superannuation Board; and
 - (d) Mineral and Energy Research Institute of Western Australia?
- (2) When was each member appointed and for what period of time?
- (3) How much remuneration is each member paid?

Mr BARNETT replied:

The Minister for Mines has provided the following response -

- (1) MINES OCCUPATIONAL SAFETY AND HEALTH ADVISORY BOARD (MOSHAB)

Mr Lee Ranford (Chairperson)	Mr Mark Cutifani
Mr Jim Torlach	Mr Robert Bryant
Ms Wendy Clarkson	Mr Gary Wood
Mr Patrick Gilroy	Mr Frank Saville
Mr Anthony Finucane	Mr Robert Leggerini
Mr Dennis Courtney	

COAL INDUSTRY TRIBUNAL OF WA

Mr Gavin Fielding (Chairperson)
 Mr Paul Zorzi (Deputy Chairperson)
 Mr John Blackburn
 Mr Tom Kuzman
 Two Union Representatives (The relevant union nominates a representative for each issue dealt with by the Tribunal)

MERIWA Board of Directors
 Dr Colin Branch (Chairperson)
 Mr Rowley Butters
 Prof Alan Billings
 Mr Rex Baker

MERIWA - Mineral Research Advisory Committee	
Mr John Roberts (Chairperson)	Mr David Stribley
Prof Odwyn Jones	Dr Ronald Blanks
Mr Gary Johnson	Prof Robert Pidgeon
Dr Alison Ord	Prof Chris Powell

Dr Norman Stockton
Mr William Sashegyi
Dr Don Martin

Mr Andrew Padman
Prof Pat Garnett

- (2) MOSHAB
All members were appointed on 30 April 1996 for a term ending on 30 April 1999.

COAL INDUSTRY TRIBUNAL OF WA
All members were appointed on 1 January 1997 for a term ending on 31 December 1998.

MERIWA Board of Directors
Dr Branch was appointed on 27 September 1994 for a term ending on 26 September 1998 while the other members of the board were appointed on 13 August 1996 for a term ending on 12 August 2000.

MERIWA - Mineral Research Advisory Committee
Messrs Roberts, Jones and Pidgeon were appointed on 4 November 1996 for a term ending on 3 November 1999. Messrs Stockton, Martin, Stribley, Johnson, Sashegyi and Padman were appointed on 13 June 1994 for a term ending on 12 June 1997 and Dr Alison Ord and Messrs Blanks, Powell and Garnett were appointed on 29 January 1996 for a term ending on 29 January 1999.

- (3) MOSHAB
MOSHAB members are not paid.

MERIWA Board
Chairperson not paid: others receive \$562.50 per quarter

MRAC Members
Chairperson is paid \$97 per meeting and only one member receives a payment of \$73 per meeting; the other members are honorary.

COAL INDUSTRY TRIBUNAL OF WA
The Chairperson is paid a retaining fee of \$4 500 pa, the Deputy Chairperson is paid an attendance fee of \$145 per day and the remainder are paid \$73 for half a day and \$108 for a full day.

GOVERNMENT INSTRUMENTALITIES - COMMERCIAL ACTIVITIES

Investment and Financial Statements

1152. Mr PENDAL to the Minister for the Environment; Employment and Training:
- (1) Will the Minister list each Government department or agency under her control which is involved in any commercial or business venture by way of invested capital, or partnerships with the private sector on which the department/agency seeks a return?
- (2) Will the Minister indicate the level of investment in each case?
- (3) Will the Minister indicate whether such departments/agencies table their financial statements in Parliament?
- (4) If they do not, will the Minister arrange for such tabling?

Mrs EDWARDES replied:

Perth Zoological Gardens

- (1) Nil.
(2-4) Not applicable.

Western Australian Department of Training

- (1) Nil.
(2) Not applicable

Conservation and Land Management

- (1) Nil.
(2) Not applicable

Department of Environmental Protection

- (1) Nil.

- (2) Not applicable.

Kings Park and Botanical Gardens

- (1) Nil
(2) Not applicable.

GOVERNMENT INSTRUMENTALITIES - COMMERCIAL ACTIVITIES

Investment and Financial Statements

1155. Mr PENDAL to the Minister for Lands; Fair Trading; Parliamentary and Electoral Affairs:

- (1) Will the Minister list each Government department or agency under his control which is involved in any commercial or business venture by way of invested capital, or partnerships with the private sector on which the department/agency seeks a return?
(2) Will the Minister indicate the level of investment in each case?
(3) Will the Minister indicate whether such departments/agencies table their financial statements in Parliament?
(4) If they do not, will the Minister arrange for such tabling?

Mr SHAVE replied:

- (1) LandCorp and the Department of Land Administration's International Program.
(2) LandCorp is a Government trading enterprise set up to undertake industrial, residential and regional project land development in accordance with prudent commercial principles. In undertaking its activities LandCorp, in accordance with Government policy, seeks to involve the private sector to the maximum extent possible through either direct out sourcing of the delivery of functions or through joint ventures.

A number of joint ventures currently operate in the residential land development sphere. The level of investment in each joint venture varies over time. LandCorp's financial statements tabled in Parliament disclose its interest in each joint venture.

Funds for the Department of Land Administration's International Program are appropriated by Parliament for the specific purpose. No direct cash investment.

- (3) Yes.
(4) Not applicable.

GOVERNMENT INSTRUMENTALITIES - COMMERCIAL ACTIVITIES

Investment and Financial Statements

1162. Mr PENDAL to the Minister representing the Minister for Mines:

- (1) Will the Minister list each Government department or agency under his control which is involved in any commercial or business venture by way of invested capital, or partnerships with the private sector on which the department/agency seeks a return?
(2) Will the Minister indicate the level of investment in each case?
(3) Will the Minister indicate whether such departments/agencies table their financial statements in Parliament?
(4) If they do not, will the Minister arrange for such tabling?

Mr BARNETT replied:

The Minister for Mines has provided the following response:

- (1) (a) The Department of Minerals and Energy (DME) is not involved.
(b) The Coal Industry Superannuation Board is governed by the Sole Purpose Test under the Superannuation Industry Supervision Act which allows the Board to operate solely to provide retirement benefits for its members and not conduct commercial business for any other purpose.
(2) (a) Not applicable to DME.

- (b) The total assets of the Coal Industry Superannuation Fund are invested and on 30 April 1997, these assets totalled \$50,581,888.00.
- (3) (a) Not applicable to DME.
- (b) Yes.
- (4) Not applicable.

GOVERNMENT INSTRUMENTALITIES - COMMERCIAL ACTIVITIES

Investment and Financial Statements

1165. Mr PENDAL to the Minister representing the Attorney General:

- (1) Will the Attorney General list each Government department or agency under his control which is involved in any commercial or business venture by way of invested capital, or partnerships with the private sector on which the department/agency seeks a return?
- (2) Will the Attorney General indicate the level of investment in each case?
- (3) Will the Attorney General indicate whether such departments/agencies table their financial statements in Parliament?
- (4) If they do not, will the Attorney General arrange for such tabling?

Mr PRINCE replied:

The Attorney General has provided the following reply -

- (1) For the Ministry of Justice - Nil.
- (2)-(4) Not applicable.

GOVERNMENT INSTRUMENTALITIES - COMMERCIAL ACTIVITIES

Investment and Financial Statements

1167. Mr PENDAL to the Parliamentary Secretary to the Minister for Justice:

- (1) Will the Minister list each Government department or agency under his control which is involved in any commercial or business venture by way of invested capital, or partnerships with the private sector on which the department/agency seeks a return?
- (2) Will the Minister indicate the level of investment in each case?
- (3) Will the Minister indicate whether such departments/agencies table their financial statements in Parliament?
- (4) If they do not, will the Minister arrange for such tabling?

Mr PRINCE replied:

The Attorney General has provided the following reply -

- (1) For the Ministry of Justice - Nil.
- (2)-(4) Not applicable.

ARTS AND CULTURE - FILMS

Screen West

1181. Ms WARNOCK to the Minister representing the Minister for the Arts:

- (1) How much private investment has been raised for films in Western Australia through Screen West in the past 12 months?
- (2) How much private film investment is expected to be raised over the next 12 months?
- (3) How many film projects have been assisted by Screen West during the past year?

Mrs EDWARDES replied:

The Minister for the Arts has provided the following reply -

- (1) None. This is because Screen West does not directly seek private investment for film projects under its current programme.
- (2) It is not possible to predict this information at the present time. However, there has been a general upswing in projects seeking production finance through private sector investment. We are aware of at least four prospectuses being marketed at the moment. Screen West is currently considering formal applications for support from two of these projects. However, with the Federal Government's Gonski Report suggesting changes to the 10BA tax incentives for investment in films, it is uncertain whether this trend will continue.
- (3) Screen West has offered script or project development loans to 34 projects over the twelve months to April 30, 1997. During the same period it has provided cash flow loans or direct production investment in a further 12 projects. Of these only two feature films, with the remainder being documentaries and twelve television dramas. Not all projects have proceeded to production, with some offers lapsing due to the applicant unable to raise the remainder of the production budget.

FORESTS AND FORESTRY - KARRI

Mature Characteristics

1197. Dr EDWARDS to the Minister for the Environment:

When karri forest is regenerated after clear felling, how long must the karri trees be allowed to "grow on" beyond the normal rotation length of 100 years in order for them to develop "mature/senescent characteristics", as specified in the Conservation and Land Management's (CALM) Forest Management Plan 1994-2003 (pp.11-12)?

Mrs EDWARDES replied:

Even aged karri forest is considered to enter the mature stage at about 120 years of age, and the senescent stage at 200 to 250 years of age.

POLICE - ALCOHOL-RELATED PROSECUTIONS

1228. Ms WARNOCK to the Minister for Police:

How many prosecutions have there been for serving alcohol to -

- (a) intoxicated;
- (b) underage customers;

each year for the past five years?

Mr DAY replied:

The sought after information is not retained electronically by the Police Service. To compile the requested information will require a manual search of records and a statewide survey. This process is extremely human resource intensive and I am not prepared to dedicate the resources necessary for this request.

LAW REFORM COMMISSION - REPORT ON RESTRICTIVE COVENANTS

1232. Mr PENDAL to the Minister representing the Attorney General:

- (1) Has the Minister received the Law Reform Commission Report on restrictive covenants?
- (2) If not, can the Minister indicate when he will receive it?
- (3) Can the Minister indicate the procedures he will follow once he does receive the report, including the way in which the Minister for Lands and the Lands Department will become involved?
- (4) Does the Minister expect Cabinet will become involved in the issue and, if yes to (3) above, can the Minister indicate at what point?

Mr PRINCE replied:

The Attorney General has provided the following reply -

- (1) No.

- (2) The Commission will submit the Report to the Attorney General by the end of June 1997.
- (3) The Law Reform Commission Act 1972 provides that the Attorney must cause the Commission's reports to be presented to each House of Parliament as soon as practicable after they have been submitted to him.
- (4) I cannot predict.

LAND - LANDCORP

Canning Vale Land Sale - Income

1236. Dr EDWARDS to the Minister for Lands:

What income is LandCorp expected to obtain in -

- (a) 1996-97;
- (b) 1997-98,

from the sale of land near Baile Road, Canning Vale as a result of the development of Specialist Container Transport's proposed freight transfer facility?

Mr SHAVE replied:

- (a) Nil.
- (b) Approximately \$4,195,000.

Specialised Container Transport (Blanalko Pty Ltd) has entered into a contract of sale to buy approximately 17.8 hectares of land from LandCorp (subject to final survey).

DEPARTMENT OF CORRECTIVE SERVICES - INVESTIGATION

Masonic Lodge

1245. Mr BROWN to the Parliamentary Secretary to the Minister for Justice:

Further to question on notice 2290 of 1996, is the Minister and the Police Service aware of the report of the Director of Public Prosecutions into the former Department of Corrective Services and, if so -

- (a) when did Mr Dean Hill of the Ministry of Justice give the papers alleging corruption and involvement in the Masonic Lodge to the manager of the Intelligence Unit/Ministry of Justice;
- (b) when did the manager of the Intelligence Unit pass them to the former Director General;
- (c) when did the Police Task Force commence its investigation;
- (d) when did the Police Task Force finalise its investigation?

Mrs van de KLASHORST replied:

The Minister for Justice has provided the following reply -

I refer the member to parliamentary question 2290 and the answer thereto.

FISHERIES - DEPARTMENT

Vehicle Leasing

1246. Mr BROWN to the Minister for Fisheries:

- (1) Further to question on notice 612 of 1997, does the Fisheries Department lease -
 - (a) four wheel drive vehicles;
 - (b) vehicles other than normal sedans or station wagons?
- (2) If so -
 - (a) how many four wheel drive vehicles does the Department lease;
 - (b) what is the make of each vehicle;
 - (c) what is the monthly amount the Department pays for the leasing of four wheel drive vehicles;
 - (d) with respect to vehicles other than normal sedans and station wagons, what type of vehicles does the Department lease;
 - (e) what is the monthly amount the Department pays for leasing each of the vehicles?

Mr HOUSE replied:

- (1) (a-b) Yes.
- (2) (a) 40.
(b) Toyota 27, Nissan 5, Holden 2, LandRover 2, Mitsubishi 2, Mazda 1, Ford 1.
(c) \$21,634.
(d) Four wheel drive vehicles.
(e) See answer to (2)(c) above.

MINISTRY OF JUSTICE - ROYAL COMMISSION

Minutes of Meeting

1255. Mr BROWN to the Minister representing the Attorney General:

- (1) Further to question on notice 507 of 1997, was a check done to ascertain if any of the records held by the Ministry of Justice and/or the Director of Public Prosecutions to include a report or note of what transpired at the meeting at which the prospect of holding a Royal Commission into the Ministry of Justice was discussed?
- (2) Are there any minutes, documents or notes of that meeting?

Mr PRINCE replied:

The Attorney General has provided the following reply -

- (1) Yes.
- (2) No.

MINING - EXPLORATION

Western Mining Corporation - Expenditure

1257. Mr BROWN to the Premier:

- (1) Is the Premier aware of an article that appeared in *The West Australian* on 17 May 1997 which reported Western Mining Corporation intends to slash its expenditure on exploration in Australia to several other promising overseas prospects?
- (2) Is the Premier aware that a spokesperson for the company was reported as saying that Native Title, environmental pressures and increasingly easy access to overseas prospects were the main reasons for the changing focus?
- (3) What economic impact on the State will Western Mining Corporation's decision, which apparently reveals a lack of confidence in the Prime Minister's ten point plan to address the High Court's Wik decision, have?

Mr COURT replied:

- (1)-(2) Yes.
- (3) The impact of a decision by one of the major mining companies in Western Australia to divert exploration expenditure overseas could be very serious for Western Australia in the longer term. Unless the Federal Government addresses the problems currently being experienced by exploration companies in gaining access to land, this trend will continue. The Prime Minister's plan will address a number of the problems being experienced because of the unworkability of the Native Title Act. The fate of these proposed changes is of course in the hands of the ALP. Exploration dollars will return to Australia if the industry can see a fair, workable and certain land access regime.

PUBLIC SERVICE - EMPLOYEES

Mobility and Redeployment

1274. Dr GALLOP to the Minister for Public Sector Management:

- (1) How many placements were made through mobility and redeployment by Public Sector Management Office staff in 1996-97?

- (2) How does this compare to 1995-96?
- (3) Of the placements made through mobility and redeployment by Public Sector Management office staff in 1996-97, how many were placed into fixed term opportunities rather than permanent employment?
- (4) How does the Public Sector Management office define "fixed term" opportunities?
- (5) Were any of these employees found "fixed term" opportunities outside the public service, and if so, how many?
- (6) What follow up is there on employees found "fixed term" opportunities outside the public service by the Public Sector Management Office?

Mr COURT replied:

- (1) As at May 28, 1997 a total of 513 placements have been effected by the Public Sector Management Office during the 1996/97 financial reporting year.
- (2) This compares with 428 placements effected during the 1995/96 reporting year.
- (3) Of the 513 placements effected, 246 placements were to "fixed term" or contract positions.
- (4) The Public Sector Management Office defines "fixed term" opportunities as "all posts, offices or positions to be filled on a temporary basis in excess of three months". They are actual job vacancies which Public Sector Agencies will fill through wider recruitment processes if a suitable person is not available through redeployment.
- (5) To date the Public Sector Management Office has not effected any placements to "fixed term" placements outside the Public Sector.
- (6) Not applicable.

PUBLIC SERVICE - JOINT ENTRY LEVEL RECRUITMENT TESTING PROGRAM

1283. Dr GALLOP to the Minister for Public Sector Management:

- (1) What was the aim of the joint entry level recruitment testing program?
- (2) How much did the program cost?
- (3) How many applicants are there in the pool to choose from?
- (4) How many people have been employed in the public sector from this pool of applicants?

Mr COURT replied:

- (1) The aim of the joint recruitment test was to simplify the application process for people who were interested in applying for State or Commonwealth entry level employment. Previously these people were required to attend two similar tests; one for the State and one for the Commonwealth.
- (2) Final invoicing has not occurred from the Commonwealth as yet, but it is estimated that the cost will be \$24000.
- (3) 7216 applicants sat the test of whom 2524 indicated they were seeking employment in the State public sector. The test covered a number of entry points to the Commonwealth including the Federal Police, and the Australian Public Service.
- (4) Test results were received from the Commonwealth on 28 May 1997. To date no applicants from the pool of 2524 have been employed.

DOMESTIC VIOLENCE - PROGRAMS

Expenditure

1313. Dr CONSTABLE to the Minister for Health:

What budgets were allocated and spent on programs related to domestic violence for 1997-98 and in each of the last three years?

Mr PRINCE replied:

Year	Allocated	Expended
1997/98	Budget allocations have not been finalised although it is anticipated that \$100 000 will be allocated for domestic violence programs	-
1996/97	\$115 000	\$55 000
1995/96	\$26 000	Nil - due to lack of specific initiatives. Moneys were reallocated to other services
1994/95	Not applicable.	

HOSPITALS - ROCKINGHAM-KWINANA DISTRICT

Waiting Lists

1318. Mr McGOWAN to the Minister for Health:

- (1) Is the Government aware of the extensive waiting lists for orthopaedic surgery at Rockingham-Kwinana District Hospital?
- (2) What steps will the Government take to alleviate these waiting lists at Rockingham-Kwinana District Hospital?

Mr PRINCE replied:

- (1) The Government is not aware of any waiting list for orthopaedic surgery at Rockingham-Kwinana District Hospital. The orthopaedic surgeon is a private practitioner who does not provide the hospital with a list of patients awaiting surgery.
- (2) Rockingham-Kwinana Health System was allocated \$162,500 for waiting list reduction this financial year. In addition, a recurrent increase of 160 inpatient weighted cases valued at \$230,400 was allocated to RKHS in January this year. Overall surgical activity at Rockingham-Kwinana District Hospital is up 7.2% over the same time last year.

PLANNING - PORT HEDLAND

Area Development Strategy

1321. Mr GRAHAM to the Minister for Planning:

- (1) Does the Government intend to prepare an area development strategy for Port Hedland?
- (2) If not, why not?
- (3) If yes to (1) above -
 - (a) when will such a strategy be commenced;
 - (b) when will such a strategy be completed;
 - (c) who will prepare such a strategy; and
 - (d) what is the anticipated cost of preparing such a strategy?

Mr KIERATH replied:

- (1) Yes.
- (2) Not applicable.
- (3)
 - (a) The strategy has commenced following authorisation at the Western Australian Planning Commission meeting on 28 January 1997.
 - (b) The draft report is due to be presented to the Western Australian Planning Commission on 26 August 1997.
 - (c) The Ministry for Planning.

- (d) \$10,000.

LOCAL GOVERNMENT - MEAT INSPECTION FEES

Kojonup Shire Council

1326. Mr McGOWAN to the Minister for Health:

- (1) Is the Minister aware of the problem being faced by the Kojonup Shire Council in relation to the loss of \$52 527 for meat inspection fees as a result of Kojonup Abattoirs going into receivership?
- (2) Can this debt be met by the State?
- (3) If not, what is the Government policy in regard to local authorities meeting debts imposed by changes in the State Government policy?

Mr PRINCE replied:

- (1) Yes. I have received representation from the Kojonup Shire Council and Members of Parliament on this issue.
- (2) No.
- (3) A scheme is in place under the Health Act which enables local governments to recover all costs associated with providing a meat inspection service. Recent amendments were made to the Health Act to give local government the option to require debt security and the ability to withdraw meat inspection services to reduce the level of any bad debt exposure. Local government has also always had the ability to pursue the recovery of outstanding meat inspection fees through the court system to reduce the amount of bad debt exposure.

COMMITTEES - SELECT COMMITTEE ON INTERVENTION IN CHILDBIRTH

Implementation of Report

1327. Mr McGINTY to the Minister for Health:

- (1) I refer to the Select Committee on Intervention in Childbirth report and ask is the Minister aware of criticisms by the Australian College of Midwives Inc. of the Government's inactivity in implementing certain recommendations of the Select Committee?
- (2) What action has been taken and what action is proposed to be taken in relation to accreditation of midwives in private practice?
- (3) What approaches have been made to the Commonwealth Government to secure Medicare reimbursement for midwives in private practice?
- (4) What community awareness programs have, or will be undertaken, to promote the role of midwife services?

Mr PRINCE replied:

- (1) I am aware of a letter recently received from the Western Australian Branch of the Australian College of Midwives Inc. which highlights concerns in relation to the implementation of three recommendations made in the Select Committee on Intervention in Childbirth Report. These recommendations involve:
 - (a) the accreditation of Midwives in Private Practice;
 - (b) Medicare rebates for Midwives in Private Practice; and
 - (c) improved community awareness about options in birthing services.
- (2) Individual hospital Medical Advisory Committees have the authority to approve the accreditation of Midwives in Private Practice and the development of programs which facilitate midwifery birthing services. Medical Advisory Committees in public hospitals generally report to Hospital Boards of Management.

Woodside and Armadale Kelmscott Health Services, Swan Districts Birth Centre and King Edward Memorial Hospital already facilitate the accreditation of Midwives in Private Practice.

In July 1996, I asked the management of all of the metropolitan public hospitals to put the issue of Midwives in Private Practice accreditation on the agenda of Medical Advisory Committees. A review of their progress is currently underway by senior officers in the Health Department.

- (3) Discussions have commenced with the Commonwealth Government to consider securing Medicare reimbursements for Midwives in Private Practice.
- (4) The Health Department of Western Australia has made a commitment in response to the recommendations of the Select Committee on Intervention in Childbirth report to consult with interested stakeholders to produce a 'Good Birth Guide'

It is proposed that this guide will outline the different models of maternity care available in Western Australia; and the philosophies and procedures practised in individual hospitals, birthing units, Family Birthing Centres and during home delivery. The Guide may also include names of currently practising Midwives in Private Practice, General Practitioners and Obstetricians to assist mothers and partners in making informed choices about maternity care. Senior Officers within the Health Department of Western Australia are co-ordinating the development of the 'Good Birth Guide'.

QUESTIONS WITHOUT NOTICE

POLICE - DRUGS

Squad - Complaints

405. Mrs ROBERTS to the Minister for Police:

- (1) Given that at least two complaints against the drug squad have now been referred to the Anti-Corruption Commission, can the Minister explain who or what determines whether complaints against police will be handled by the internal affairs unit or the ACC?
- (2) How does the Minister justify the continuation of the internal affairs unit when the Police Commissioner apparently has more confidence in the ACC's ability to investigate complaints against police?

Mr DAY replied:

- (1)-(2) The role of the police internal affairs and internal investigations units is very important in investigating complaints against police officers or initiating inquiries into the actions of police officers that might not originate in the public domain; that is, those that might result from their own intelligence gathering processes. However, the Anti-Corruption Commission does have a very important role to play as well. Under the Anti-Corruption Commission Act 1988, the Commissioner of Police is required to notify the ACC of all alleged acts of corruption by police officers so that the ACC is aware of them, can oversee them and can undertake the investigations it considers necessary.

Members might be aware that the ACC issued a media statement today announcing that it is appointing a special investigator to inquire into the complaints that have been referred to the ACC. The ACC states -

By arrangement with the Commissioner of Police, the ACC has also revised the administrative guidelines under the compulsory reporting provisions of Section 14 of the Act. This is to ensure that rather than initial action being taken by the Police and the matter subsequently being reported to the ACC, such matters will come to the Commission immediately they are received by Police.

YOUTH - SUICIDES

Media Reporting

406. Mr MASTERS to the Minister for Health:

Some notice of this question has been given. Recognising that youth suicide is a serious problem throughout Perth and rural Western Australia, does the Government have a policy or position on media reporting of suicides in general and youth suicides in particular?

Mr PRINCE replied:

This matter has been of some concern for many years. To hand out bouquets to the media is not common but I intend to do so today. It seems very much in the last year or two, perhaps longer, that the policy adopted by the media, which I realise has been done independently and not as a matter of agreement, has been by and large not to report

suicides. Obvious exceptions have occurred from time to time where there has perhaps been some other reason for a report. The apparent death by suicide of the young woman in the south west comes to mind. The media has not reported particularly youth suicides because of the distinct known and demonstrable danger which can arise from copycat attempts, especially by young people. I commend the news organisations for following that general line. I realise they reserve to themselves the ability to report that which they consider to be newsworthy. The matter was raised at some length by me and others with Professor George Lipton, who is the officer in charge of the mental health division in the Health Department. He is a specialist clinical psychiatrist dealing with young people. He has pointed out to me that in some States, particularly Victoria, of which he has a great knowledge, there is a written code of conduct or protocol between the Government and major media organisations dealing with the reporting of suicide, especially youth suicide. I do not suggest that necessarily we should look at that in this State. I simply point out that in other jurisdictions such a protocol works effectively. From my observation and understanding, the way in which matters have been handled here has been exemplary. I hope the media continue to take that responsible attitude to reporting on the subject.

POLICE - CORRUPTION

Premier's Comments

407. Dr GALLOP to the Premier:

I refer the Premier to his comments at the Police Union's annual conference last year when he said in relation to the Tomlinson select committee and calls at that time for a police royal commission, "We've made it very clear that we're going to put all of the latest evidence from that parliamentary select committee to a proper authority, an independent anti-corruption commission."

- (1) Why did he make that promise, knowing full well that he had no power that would enable him to keep it?
- (2) Is this yet another case of the Premier presenting an illusion that he is taking action to combat police corruption when in reality he is doing nothing?

Mr COURT replied:

- (1)-(2) The Leader of the Opposition is trying to extract his police spokesperson from an interesting situation. In the Parliament yesterday the spokesperson said that the Anti-Corruption Commission had made no approaches to the Legislative Council to have that information released. It turned out that that was not the case. The Government's position, as was spelled out last year in the Parliament, has always been that it believes the information should go across. That decision will be made by the Legislative Council. As far as the Anti-Corruption Commission is concerned, we have no difficulty whatsoever with information going across to it provided that the proper safeguards are in place. It will be very interesting to see the reaction of those parties that have the numbers in the Legislative Council when that request is made.

Several members interjected.

The SPEAKER: Order!

POLICE - CORRUPTION

Tomlinson Committee Evidence

408. Dr GALLOP to the Premier:

As a supplementary question -

- (1) Has the Anti-Corruption Commission written to the Premier requesting the release of all evidence given to the Tomlinson committee?
- (2) If so, will he table such correspondence?
- (3) If the Anti-Corruption Commission has requested that all the evidence be provided, why did he write to Hon Derrick Tomlinson on 10 March requesting that he facilitate the release of evidence relating only to Stephen Wardle and Mr and Mrs Tilbury?

The SPEAKER: Before the Premier answers, I remind members that there should be one supplementary question. The Leader of the Opposition has rolled a whole lot of things into one question, but I advise members that I will be watching in future. I will allow the question.

Mr COURT replied:

I cannot tell the member off the top of my head what correspondence has gone between the two.

Mr Kobelke: You cannot remember because you have no interest in doing anything about it.

Mr COURT: No. If the member opposite had been in the Parliament during the debate yesterday he would know that I raised this very issue. It will be up to the Legislative Council to make that decision. As I said, we do not have a difficulty.

Dr Gallop: You are all over the place, Premier. You have no commitment on police corruption.

Mr COURT: No. It is interesting that it will be up to the Labor Party, Greens and Democrats to decide whether that information goes across.

UNIONS - TRADES AND LABOR COUNCIL

*Mr Tony Cooke - Misleading Claims***409. Mr BAKER to the Minister for Lands:**

- (1) Is the Minister aware that Mr Tony Cooke of the Trades and Labor Council misled the Perth City Council and the public yesterday with his claims that the State Government has undertaken unauthorised works on the road reserve opposite Parliament House?
- (2) Is the Minister also aware that Mr Cooke has stated publicly that his decision to do so was intended to influence the decision of the Perth City Council on the unauthorised occupation of the road reserve by his supporters?

Mr SHAVE replied:

(1)-(2) Mr Speaker -

Mr Marlborough: Isn't the Perth City Council able to do its own work?

Mr SHAVE: I thank the member for the question. It is interesting that the member for Peel said that the Government should do its own work. I was interested to get clippings of press statements made by Mr Cooke yesterday in a discussion with Mr Gerry Gannon. During that discussion he said -

I was the one that broke the news to the city councillors about the unauthorised works by the State Government on part of the road reserve - last night at about 5.30pm.

That was just before their meeting. Mr Gannon asked -

What was your reason for doing that?

Mr Cooke said -

Oh, quite clearly to influence their decision, because I knew that in that environment it would be close to a unanimous decision to give it back to the State Government.

Several members interjected.

The SPEAKER: Order! The Minister will take his seat. The level of interjections is unacceptable. I caution the members for Peel and Armadale.

Mr SHAVE: From what the Minister for Labour Relations has said previously, the Trades and Labor Council makes a habit of dealing in untruths. One has to question Mr Cooke's credibility as a leader of an industrial organisation when one hears him refer to his having legal advice for this and legal advice for that. If Mr Cooke had cared to check his facts with any legal adviser he would have been told that, under the Land Acquisition and Public Works Act, the Government is authorised to undertake the work that has been done on that road reserve without advising anyone. However, that is not the case; that is not what happened.

On 24 September last year, the appropriate government officials met with the Perth City Council and provided it with plans of the proposed works. It was then advised by the council that it was happy with that proposal. In his own devious manner, Mr Cooke waited until 5.30 last night so that the councillors could not check with the departmental officers to find out what we were proposing to do.

Mr Brown: Do you look for conspirators under your bed every night?

The SPEAKER: The member for Bassendean will come to order.

Mr SHAVE: It is interesting listening to the rabble on the other side. They know one of their political masters is under some sort of scrutiny. I guess when we have a lot of puppets on the other side of the House, people have only to pull their strings up and down, dangle them about and tell them when to yelp.

Mr Brown interjected.

The SPEAKER: Order! I formally call to order the member for Bassendean for the first time.

POLICE - CORRUPTION

Drug Squad - Stolen Money

410. Mrs ROBERTS to the Minister for Police:

I refer to reports in *The West Australian* on 3 June and 6 June that an internal affairs unit officer told a woman complainant that she could kiss goodbye money that she alleged was stolen by drug squad detectives and that she could be set up on heroin charges because of her complaints.

- (1) Who, if anyone, is examining the conduct of the internal affairs unit in this matter?
- (2) Given that her complaint against the drug squad has now been referred to the Anti-Corruption Commission, how many other complaints have also been passed on to the ACC?

Mr DAY replied:

- (1)-(2) As a general comment about the internal affairs unit, on a number of occasions charges have been preferred against several police officers. At the moment an officer in the force is defending a charge of alleged bribery for a drug related matter. The internal investigations unit and the internal affairs unit have been very active in taking action against serving police officers. The specific matter raised by the member for Midland has been referred by the Commissioner of Police to the Anti-Corruption Commission for investigation.

Dr Gallop: We know that. Who is examining the IAU's role in this?

Mr DAY: The Anti-Corruption Commission.

Mrs Roberts: The Anti-Corruption Commission is undertaking the inquiry now. The inquiry into her complaints has been in the media.

Dr Gallop: What about the IAU's role in this? Is that being examined?

Mr DAY: As I understand it, the Anti-Corruption Commission has taken charge of this investigation and is reviewing the whole matter. I do not have information about the number of complaints referred to the ACC. All complaints made to the police internal affairs unit or internal investigations unit alleging corruption against a police officer are required under the ACC Act to be referred to the Anti-Corruption Commission.

MEMBERS OF PARLIAMENT - WESTERN AUSTRALIAN FLAGS

Allocation

411. Mr MacLEAN to the Premier:

The Premier will be aware that commonwealth members of Parliament are able to present Australian flags to associations and groups throughout the community. Does the Premier have any plans for a similar scheme to operate for state members of Parliament?

Mr COURT replied:

State members of Parliament are often asked to provide state flags. Federal members have an entitlement to an allocation of flags that enables them to give flags to community organisations. Judging by the nods from those on the other side, I believe a number of members here are also asked to present flags. I have instructed the Office of State Administration to draft guidelines for the allocation of Western Australian flags to state members of Parliament. We expect to have the system operating within the next couple of weeks. The guidelines have not yet been finalised, but the arrangement will be similar to that of the Federal Government; that is, a register will monitor the distribution of the flags. This is a positive initiative and will enable different community organisations to display the Western Australian flag properly. Tenders have already been called for the supply of the flags and they are currently being reviewed. We hope to have the scheme operating within a few weeks.

POLICE - CORRUPTION

*Former Police Officers - Investigation***412. Mrs ROBERTS to the Minister for Police:**

Is the Minister aware that both Colin Pace and Wayne Barnes - both former police officers described as corrupt by Les Ayton - refused to be interviewed during the Australian Federal Police inquiry into the Argyle Diamonds affair, and that the Australian Federal Police report tabled in this place last year recommended that if a future decision was made to investigate both men, coercive powers be applied to require them to answer questions and provide documents? Given these facts will the Minister advise the House whether the alleged corrupt activities of these former police officers have been referred to the Anti-Corruption Commission for investigation?

Mr DAY replied:

The Anti-Corruption Commission has the power to investigate allegations of corruption against either serving or former police officers. The ACC is forbidden under its legislation to discuss the particular cases it is investigating; therefore, I am not privy to the information the member for Midland seeks.

Dr Gallop: We have been reading in *The West Australian* about cases going to the ACC. You are an idiot, Minister. You are an absolute joke.

Withdrawal of Remark

Mr BLOFFWITCH: The Leader of the Opposition called the Minister an idiot. I ask him to withdraw.

Dr GALLOP: I withdraw.

Questions without Notice Resumed

HOUSING - GOVERNMENT EMPLOYEES

*Private and Local Government Involvement***413. Mr TRENORDEN to the Minister for Housing:**

Minister, the -

Mr Ripper: We thought the member for Avon might ask about corruption.

Mr TRENORDEN: I have been making more noise about it than the member for Belmont.

The Brookton community is seeking to build accommodation for teachers, police and other public servants in partnership with the State. Does government policy allow for private and local government involvement in the provision of government employees' housing?

Dr HAMES replied:

I thank the member for some notice of this question. Homeswest is proceeding to amalgamate the Rural Housing Authority and the Industrial and Commercial Housing Authority in country regions. The purpose is twofold: The new authority will act as financier for the housing requirements of farmers and also small business within country towns and it will lend either through the business, the local authority, or to the individual employee. That is a good initiative, but it is only part of the story. We are trying also to address the problem of government employees' housing by combining those schemes.

If this procedure goes ahead, there are two proposals, one for small and one for large country towns. In small country towns leases will be provided through the amalgamated unit of the Rural Housing Authority and ICHA. That will enable local government to borrow funds and build houses either for local employees or for government employees. As part of that GEHA will then enter into an arrangement with the local government authority to guarantee the lease of the housing for a significant time. As a result local government authorities will construct houses with confidence. That will significantly improve the standard of housing not only for government employees, but also employees in private enterprise who have otherwise been unable to avail themselves of suitable housing. For larger communities, where there is a significant problem with government employees' housing - for example, Kalgoorlie and Port Hedland - Homeswest will undertake development in conjunction with the private sector to incorporate the sale of some land to the private sector, some Homeswest housing and significant quantities of GEHA housing to cope particularly with the problems of young teachers forced to live three or four to a house. We will look at providing single housing accommodation in the larger communities through this program. It is an excellent program and,

provided we are successful in getting it going, it will significantly address the issues of government employees' housing and the shortage of housing in rural Western Australia.

POLICE - CORRUPTION

Argyle Diamonds Investigation - Report

414. Mrs ROBERTS to the Minister for Police:

- (1) Has the Minister read the Australian Federal Police report into the Argyle Diamonds affair?
- (2) Has he done anything to ensure the allegations contained therein are followed up?

Mr DAY replied:

(1)-(2) No, I have not read that report.

Dr Gallop: It was tabled in this Parliament.

Mr DAY: It may have been tabled in this Parliament, but that was well before my appointment as Minister for Police.

Dr Gallop: It covers a major issue in this State and you haven't read it. Why don't you send your salary to the Commissioner of Police, because he does your dirty work for you?

The SPEAKER: Order! A question was asked and the opportunity must be given for the answer which, on this occasion, was brief.

Dr Gallop interjected.

The SPEAKER: Order! I caution the Leader of the Opposition not to interject while I am on my feet.

RAILWAYS - PINJARRA RAIL HERITAGE CENTRE PROJECT

Funding

415. Mr MARSHALL to the Minister for Regional Development:

Is the Minister aware that the Peel Development Commission has been endeavouring to establish a railway heritage precinct and, if so, what progress has been made with this project?

Mr COWAN replied:

I thank the member for some notice of the question because it enabled me to make inquiries of the Peel Development Commission about its application to the Federal Government for funds through the federal Department of Tourism's national tourism development program. It applied for a significant number of dollars to promote the Pinjarra rail heritage centre project. I regret that the Federal Government declined the application and has encouraged the committee established by the Peel Development Commission to apply again next year, which is a common response by the Federal Government.

The Pinjarra rail heritage centre is under way. An application is before the Department of Land Administration for the vesting of Westrail land at the Pinjarra railyards in the Pinjarra Rail Heritage Centre Committee. Already the Hotham Valley Tourist Railway has decided to relocate its rolling stock to that yard. Development will commence in the east yard and progress to the west yard. One expects that over time other facilities associated with tourism will be located at that yard.

The Peel Development Commission does not normally fund projects of this magnitude; it is merely a facilitator. In this case it is budgeting to set aside considerable sums of money over a period of time to ensure that the Pinjarra rail heritage centre proceeds with or without Federal Government assistance.

PLANNING - MR GEOFF PROSSER

Discussions with Minister

416. Dr EDWARDS to the Minister for Planning:

Some notice of this question has been given.

- (1) Has either the current Minister or the previous Minister had discussions with Mr Geoff Prosser or representatives of his companies on planning matters affecting properties in which Mr Prosser has a financial interest?

- (2) If yes, when did these meetings take place?
- (3) Where were the properties under discussion located?

Mr KIERATH replied:

- (1)-(3) As Minister for Planning I have not had any discussions with Mr Geoff Prosser or representatives of his companies on planning matters. I am not in a position to provide an answer for the previous Minister. The only contact I have had with Mr Geoff Prosser since I have been Minister for Planning was when I was designated by the State Government to meet the Chinese Vice President Zhu Rong Ji, who visited this State recently. Mr Geoff Prosser was the Federal Government's representative. I and a number of dignitaries met them. Geoff and I discussed a range of issues. I am sure members do not want me to outline them now. I advise members that not one planning matter was among them.

HEALTH - WILUNA SOBERING UP SHELTER

Effectiveness

417. Mr SWEETMAN to the Minister for Health

What is the effectiveness of the recently opened sobering up shelter in Wiluna?

Mr PRINCE replied:

Last Thursday, in company with the member for Pilbara and a few other people, I visited Wiluna - a considerable complement of media people also travelled there in a separate aircraft - for, among other reasons, the official opening of the sobering up shelter, although it opened for business in April last year.

The dramatic effect it has had on the town is exemplified by some of the statistics. The number of Aboriginal people detained for alcohol related incidents in Wiluna since April 1996 has fallen from 262 cases to 154 cases, more than 41 per cent. The rate of treatment of alcohol related trauma has reduced by 35 per cent. The number of arrests for damage fell from 20 in 1995 to only two so far this year. The number of assault offences has decreased from 94 to 31 so far this year.

That startling effect on a relatively small community is a direct result of the sobering up shelter. The member for Pilbara will agree it has had a remarkable effect not only on the Aboriginal population, who are overwhelmingly the people taken to the sobering up shelter by various organisations including the police, but also some non-Aboriginal people.

The major reason for the establishment of these facilities was to reduce the degree of incarceration in police cells, especially of people found drunk. This was in part in line with the recommendations of the Royal Commission into Aboriginal Deaths in Custody. It also follows from decisions made by the Supreme Court in 1975 and the decriminalisation of drunkenness as such recently in Statute.

This State now has eight sobering up shelters in Perth, Kalgoorlie, South Hedland, Kununurra, Halls Creek, Fitzroy Crossing and Roebourne. In 1997-98 the Government intends to spend approximately \$3.62m on the sobering up shelter program. Work will be done on new centres in Broome, Derby, Wyndham and Midland and negotiations are underway for centres at Carnarvon and Geraldton. They are not obviously the sole answer to the problem, but they deal with a symptom of the cause of a good deal of what would otherwise be antisocial behaviour, able to be dealt with in the past only by the police. I commend the people responsible for not only the program but also the centre in Wiluna and the results demonstrated in just over a year.

TOURISM - ELLE RACING

Yacht Construction

418. Mr BROWN to the Premier:

- (1) Is the Premier aware that *The Australian* newspaper's yachting writer, Mr Rob Mundel, speaking on ABC Radio yesterday claimed the Elle Racing yacht under construction in Sydney is only a "bare shell . . . with no deck" and that it would take "an absolute miracle" for it to be completed in time for the Whitbread Round the World Race?
- (2) Is the Premier also aware the syndicate's chief, John Harvey, has again missed his self-imposed deadline of yesterday for announcing a major sponsor?

- (3) When will the Premier concede that the boat will not float and that John Harvey, the man behind the Eastern Creek fiasco, has left them up the creek without a paddle, or should I say "without a yacht"?

Mr COURT replied:

- (1) I am not aware of the comments made by Rob Mundel about the yacht.
- (2) I am not aware of the self-imposed deadline. I can find out that information for members opposite or they can ask it of the Minister responsible.
- (3) We have a contractual arrangement regarding the completion of the yacht. If that component is not delivered, we will not pay for it.
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