



Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
THIRD SESSION
2000

LEGISLATIVE ASSEMBLY

Wednesday, 15 March 2000

Legislative Assembly

Wednesday, 15 March 2000

THE SPEAKER (Mr Strickland) took the Chair at 12 noon, and read prayers.

DEATH PENALTY

Petition

Mr Minson presented the following petition bearing the signatures of 2 743 persons -

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

We the undersigned, being residents of the Mid West Region of Western Australia, petition you to set aside that part of the criminal law which excludes capital punishment and re-introduce suitable laws for capital punishment for murders and atrocities vented on innocent persons in our communities in an attempt to deter these shocking crimes, and set before the people a referendum to decide this issue.

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

[See petition No 93.]

MINISTRY OF HOUSING COMPLEX, 12 NILE PLACE, BEECHBORO

Petition

Mr Brown presented the following petition bearing the signatures of eight persons -

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

We, the undersigned residents of the Ministry of Housing complex at 12 Nile Place, Beechboro call on the State Government to improve the outside-security lighting at the complex.

We, the residents are concerned about our personal security and safety and believe that improved lighting will deter would-be offenders and provide residents with the chance of spotting anyone lurking about the units.

We note the Australian Government has spent millions of dollars on an advertising campaign calling on the community to heed the experience of older Australians. We now want the Government to do the same. We want the Government to heed our views about improving lighting at the complex.

We, the residents note the lighting has been improved in a minor way since our earlier request. However, the improvements made are far from adequate.

Now we ask the Legislative Assembly to improve the lighting at the Ministry of Housing, Nile Place, Beechboro complex.

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

[See petition No 94.]

BUS SERVICE, ROCKINGHAM TO FREMANTLE AND PERTH

Petition

Mr McGowan presented the following petition bearing the signatures of 100 persons -

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

We, the undersigned, say that buses leaving Rockingham for Fremantle and Perth in the morning should not leave at 8:55am but should leave at 9:00am as this disadvantages Rockingham residents who cannot obtain the All Day Ticket prior to 9:00am.

Now we ask the Legislative Assembly to change this situation by changing the time of the bus departure from Rockingham.

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

[See petition No 95.]

COMMITTEE RECOMMENDATIONS, GOVERNMENT RESPONSE

Statement by Speaker

THE SPEAKER (Mr Strickland): I advise that in relation to the recommendations of the Select Committee on Crime Prevention, no response within the specified time has been received from the Ministers for Aboriginal Affairs, Disability Services, Education, Family and Children's Services, Health, Police, Seniors, Youth, the Premier, the Parliamentary Secretaries to the Ministers for Justice, Sport and Recreation and the Minister representing the Minister for Transport.

I also advise that in relation to the recommendations contained in the Public Accounts Committee report on the role of the Government in an online environment, no response within the specified time has been received from the Premier and the Ministers for Commerce and Trade, Education and Health.

SIMPLOT PROCESSING SITE AT MANJIMUP, PURCHASE

Statement by Minister for Regional Development

MR COWAN (Merredin - Minister for Regional Development) [12.08 pm]: I advise Parliament of a financial assistance package offered to Manjimup Syndicate Coolstores Ltd, commonly known as MAES, to assist in the purchase of the former Simplot Australia potato processing site at Manjimup. MAES will establish a vegetable and horticultural export business on the site. The assistance will take the form of an interest-free loan convertible to a grant of \$350 000 to form part of the deposit to purchase the Simplot site; an interest-free loan of up to \$650 000 payable on or before 1 September 2000 convertible to a grant on the achievement of specified milestones; and a grant equal to the full amount of stamp duty paid under the contract of sale for the site.

MAES is Western Australia's second largest exporter of fruit and vegetables and the purchase of the Simplot site will accommodate expected growth well into the future. It has very strong prospects for growth and is rated by *Business Review Weekly* as one of the 100 fastest growing companies in Australia. Simplot Australia's closure of the Manjimup potato processing plant led to the loss of approximately 130 jobs. A further 57 positions were lost from the farms of 37 potato growers.

The purchase by MAES of the Simplot Australia site will see the early creation of 60 part-time positions. In three years it is estimated that jobs will increase to up to 150 full-time positions. There is also potential for the re-employment of on-farm workers affected by the Simplot Australia closure. It is estimated that 65 per cent of MAES' current turnover of \$12.5m will remain in the Manjimup district and anticipated growth to \$28m will represent a significant boost to the region. This assistance is provided because of this Government's commitment to the maintenance of employment and the social structure of the south west.

I table the details of the financial assistance to be provided by the Government to Manjimup Syndicate Coolstores Ltd.

[See paper No 723.]

PERTH MARKET ACT 1926, REVIEW

Statement by Minister for Primary Industry

MR HOUSE (Stirling - Minister for Primary Industry) [12.10 pm]: In November last year I appointed a committee to carry out a review of the Perth Market Act 1926. The committee, chaired by David Crawford, undertook a two-part review, the first part of which was to investigate the transparency of the business relationship between growers and other parties. This particularly focused on the determination of the price received for produce sold by wholesalers in the central trading area of Market City. The committee consulted widely with a series of regional meetings attended by more than 350 growers and market participants. Written submissions were also received as a result of newspaper advertisements and direct mail-outs to growers and industry organisations. In addition meetings were held with market intermediaries, supermarkets representatives and other buyers.

The committee delivered part 1 of the report on 28 January and I am pleased to advise the House that I have accepted all the recommendations, and the required by-laws are now being drafted. The recommendations in part 1 of the report included by-law amendments which increase transparency in dealings between growers and market intermediaries. These amendments will require disclosure of the way in which the net price paid to growers is calculated, and the identity of the buyer when the buyer is a related party to the intermediary. The report recommended that these changes be reviewed by the Perth Market Authority in two years, after further consultation with stakeholders.

In addition, the committee endorsed the Perth Market Authority Board decision to introduce an ongoing system of audit, ensuring that intermediaries maintain a complete record system identifying buyers of all produce and the prices paid. The audits will be conducted on a random basis by an independent accountancy firm appointed through a tender process. I am pleased to announce RSM Bird Cameron has been appointed for a 12-month period.

The committee also made a number of other recommendations in part 1 of its report as follows: That the Perth Market Authority review and upgrade its price reporting service; that the authority work with industry and Agriculture Western Australia to take a more active role in promoting grower awareness of marketing issues; that growers be encouraged to consider the benefits of collective marketing; and grower representative bodies be encouraged to federate to form a single

peak body for the horticulture industry in this State. I am currently assessing part 2 of the report which examined the operation and effectiveness of the Act, including the operations of the Perth Market Authority.

I thank the committee for the thorough and timely job it has done. I believe the implementation of its recommendations will greatly strengthen the confidence of growers, intermediaries and buyers operating within Market City. For the interest of members, I now table the Perth Market Act 1926 review committee report - part 1.

[See paper No 724.]

METROPOLITAN REGION SCHEME AMENDMENT No 1006/33

Statement by Minister for Planning

MR KIERATH (Riverton - Minister for Planning) [12.13 pm]: I refer to metropolitan region scheme amendment No 1006/33, south west districts omnibus No 4. This omnibus amendment comprises 23 proposals falling into two main categories. There are 16 minor and seven significant additions to and rationalisations of metropolitan region scheme zones and reserves. Of the 16 minor proposals, seven relate to road reservations, five to parks and recreations reservations, and one each to the urban zone, water protection zone, rural zone and public-purpose high school reserve.

The seven significant proposals include three additions to the urban zone in land surplus to Westrail and Main Roads' requirements in North Fremantle; a surplus portion of the North Lake Senior High School campus at Kardinya; and a surplus portion of the public purpose hospital reserve at Murdoch. Two further significant proposals relate to additional areas of public reserve at Jandakot, for Western Power and AlintaGas purposes; and at Munster, for Water Corporation purposes. There is also the proposed addition to the private recreation zone at Ken Hurst Park, Jandakot and the realignment of Nairn Drive, Baldivis, between Eighty Road and Clyde Avenue.

The amendment was advertised for public submissions for three months from November 1998 to February 1999. A total of 19 submissions were received, including two late submissions, some of which related to more than one proposal. The submissions can be defined as seven in support of one or more proposals, 10 in objection to one or more proposals and four pertaining to comments and advice. Three proposals attracted the most interest at the submission stage and influenced the Western Australian Planning Commission to make modifications.

The proposal to transfer lots from the railways reservation to urban zone at Congdon Street and Stirling Highway, North Fremantle, was delayed after opposition from the Department of Transport and Fremantle Port Authority.

The proposal to rezone Ken Hurst Park, Leeming, from rural zone to private recreation zone attracted three submissions in objection and one in support. The WAPC recommended that this proposal be deleted from the amendment until Bushplan has been finalised and the zoning classification can be reconsidered.

The third proposal to draw community interest was the realignment of the Nairn Drive "other regional road" reservation through Baldivis. The WAPC has recommended an alignment which is acceptable from an engineering viewpoint and is less disruptive to local vegetation and topography. I table the maps and reports, and I commend the amendment to the House.

[See papers Nos 725A and B.]

CENTRAL METROPOLITAN COLLEGE OF TAFE

Statement by Minister for Employment and Training

MR BOARD (Murdoch - Minister for Employment and Training) [12.16 pm]: I inform the House that I recently opened the Central Metropolitan College of TAFE's fine arts studio and ceramics building. The \$5.5m project will provide aspiring ceramic and fine arts students with a world class vocational education facility to hone their skills. I again recognise the work of the former Minister for Employment and Training and his very strong support for this project.

Central TAFE's Western Australian school of art, design and media was established in 1900 and is the oldest art school in the State. The decision to follow the recommendations of the Hough report and concentrate TAFE's fine arts courses within one centre of excellence was a demonstration of forward thinking. We now have a fine arts and studio ceramics showcase which has already received international acclaim.

The new centre also incorporates a gallery which will showcase works from renowned international and national artists, as well as act as a shopfront for the school. Exhibitions at the gallery will forge links and opportunities for exchange between students and artists in Perth and with artists from throughout the world. The building is tipped to set a national benchmark in training in the fine arts and ceramics sectors of the arts industry.

Mr Speaker, 56 per cent of WA school leavers choose to study in the vocational education and training system. It is vital that we continue to work to provide top class training for these and all TAFE students to better prepare them for the work force. The new arts centre joins last year's new aquaculture training centre at the Broome campus of the Kimberley College of TAFE and the \$9.6m upgrade of trade, science and engineering facilities in Bunbury as examples of the world class training facilities available to Western Australian vocational education and training students.

A number of other capital works projects, both new and in progress, are working to service the needs of VET students in other sectors. Construction of stage 2 of the Peel campus of the South Metropolitan College of TAFE is under way. This

project has a total cost of \$8.2m and is a joint development with the Education Department of WA. Construction of the Moora and Katanning TAFE centres is also in progress. These projects have total budgets of \$1.8m and \$2m respectively. The Government is also investing in extensions to and a comprehensive refurbishment of the Central West College of TAFE's manufacturing trades facilities in Geraldton. This project has a total budget of \$8.2m, with \$1.5m to be spent over the 1999-2000 financial year.

The Department of Training and Employment oversees 14 TAFE colleges with a total of 150 000 students. VET is an expanding industry and the Government of Western Australia is ensuring that TAFE facilities grow in accordance with the demand for their services.

MANAGEMENT OF WESTERN AUSTRALIAN FOREST PRODUCTS INDUSTRY

Statement by Minister for Forest Products

MR OMODEI (Warren-Blackwood - Minister for Forest Products) [12.19 pm]: Changes flowing from the restructure of the forest products industry will include a significant reduction in timber production and increasing emphasis on value adding, increases in plantations and a dramatic swing to plantation based woodchips. Current production of 168 000 cubic metres of karri sawlogs will drop to an average of 149 000 cubic metres over the period 2002-03 and then to 50 000 cubic metres in 2004. No old-growth karri will be harvested after 2003. The long term karri industry will be based on regrowth. Jarrah first and second grade sawlog production will decrease from an annual average of 324 000 cubic metres during the next four years to 286 000 cubic metres from 2004. The sale of native forest chip logs produced as a by-product of sawlog production will be reduced from approximately 600 000 tonnes in 1999 to approximately 250 000 tonnes per annum by 2002.

This change confirms the Premier's undertaking last July to discuss with Wesfarmers a reduction in woodchips from native forests. The Government has now reserved from logging 71 per cent of old-growth jarrah and 86 per cent of old-growth karri. Western Australia has approximately 90 000 hectares of pine plantations, including 20 000 hectares of private plantations producing sawn timber and panel products. These plantations currently produce over 300 000 cubic metres per annum of sawlogs, growing to over 650 000 cubic metres by 2003. There are also more than 130 000 hectares of eucalyptus plantations, increasing by 20 000 to 30 000 hectares per annum. The plantations will produce predominantly pulp for paper production, but some plantation eucalypt sawlogs will be used by the sawmilling industry.

A range of options will create incentives for additional plantation investment, such as carbon credits, tax concessions, secure markets and potential long-term returns for investors. A jarrah strategy is being developed which will maximise value added processing and the use of available jarrah resource. It will enforce value adding requirements, emphasise technology which achieves optimum value from sawlogs and restrict the use of native timber for railway sleepers or structural timber. The Government will be working closely with companies and communities to replace jobs lost in native forest harvesting and sawmilling with increased opportunities in value adding processing and manufacturing.

COMMITTEE APPOINTMENTS

Motion

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

That this House confirms the appointment by the Speaker -

- (a) on 24 February 2000 of the member for Roleystone to the Procedure and Privileges Committee in place of the member for Hillarys who resigned; and
- (b) on 21 February 2000 of the member for Joondalup to the Public Accounts Committee in place of the member for Bunbury who resigned.

WORKERS' COMPENSATION AND REHABILITATION AMENDMENT BILL 2000

Introduction and First Reading

Bill introduced, on motion by Mrs Edwardes (Minister for Labour Relations), and read a first time.

Second Reading

MRS EDWARDES (Kingsley - Minister for Labour Relations) [12.23 pm]: I move -

That the Bill be now read a second time.

The purpose of this legislation is to ensure that injured workers are not precluded from making an election where a question regarding the degree of disability, properly referred, has not been agreed or determined before the termination day. The purpose of the changes is to remove an unintended anomaly which may arise due to the current time frames for the processing of a question regarding the degree of disability referred to the director by the worker pursuant to section 93D(6), read in conjunction with section 93E(6). These time frames mean that, despite the worker's best efforts, their ability to elect may be jeopardised due to the fact that a question regarding the degree of disability, properly referred, has not been agreed or determined until after the termination day. The changes provide that even if there is a delay in the processing of a question referred under section 93D(6), the worker will always have seven days, after the question is agreed or determined, in which to make an election. This will occur even though the resolution of the question may occur after the termination

day. In this context "determined" includes both a dispute arising under section 93D(8) or the determination of such a dispute. "Agreed" includes instances where the question of the degree of disability has been agreed by the employer or a deemed agreement under section 93D(12). I commend the Bill to the House.

Debate adjourned, on motion by Mr Kobelke.

ACTS AMENDMENT (CONTINUING LOTTERIES) BILL 1999

Cognate Debate

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

That in accordance with Standing Order No 169, leave be granted for the Acts Amendment (Continuing Lotteries) Bill 1999 and the Gaming Commission (Continuing Lotteries Levy) Bill 1999 to be considered cognately, and that the Acts Amendment (Continuing Lotteries) Bill be considered the principal Bill.

Second Reading

Resumed from 24 November 1999.

MS WARNOCK (Perth) [12.25 pm]: This Bill is largely a housekeeping Bill, by which I mean it tidies up the business of licensing the suppliers of continuing lottery tickets. For the information of members who do not know, continuing lottery tickets are otherwise known as bingo or beer tickets and can be bought in many clubs. This Bill transfers the responsibility for the licensing and regulation of suppliers of continuing lottery tickets from the Stamp Act 1921 to the Gaming Commission Act 1987. It therefore allows for continuing lotteries, or bingo or beer tickets, to be regulated under the latter Act. It also reinforces the prohibition on gaming machines by broadening the definition of "public place" so that it is easier to prosecute for possession of such machines. The explanatory memorandum states -

The main purpose of the Acts Amendment (Continuing Lotteries) Bill 1999 is to make the Gaming Commission of Western Australia the sole agency responsible for the licensing and regulation of continuing lotteries in Western Australia.

A continuing lottery, or what is generally known as break-open bingo tickets, is a lottery in which the holders of tickets expose certain concealed pictures, figures, letters or other symbols to ascertain whether a prize has been won.

I hold up some continuing lottery tickets for the benefit of any member of the House who has not bought these tickets and wants to look at them. These are 50¢ break-open lottery tickets. The idea is that the people who buy these tickets break them open, and if they are lucky they will spell out the word "bingo" on a particular colour and they will then win a prize. For example, if their ticket has the word "bingo" on the colour red they will win \$100, and if their ticket has the word "bingo" on the colour blue they will win \$10, etc. This is "small" gambling, if we like -

Mr Cowan: Are you buying lunch today?

Ms WARNOCK: I am afraid I have not won a prize today, and that is a bit distressing to me, because I do love to win raffles at Labor Party fundraisers.

The Bill will amend the Stamp Act and the Gaming Commission Act to delete provisions in the Stamp Act which provide for the licensing and regulation of the suppliers of these bingo tickets, to incorporate in the Gaming Commission Act provisions for the licensing and regulation of the suppliers of continuing lottery tickets, and to clarify and strengthen the provisions of the Gaming Commission Act relating to trade promotion lotteries and the prohibition on the possession and playing of gaming machines. For those who do not frequent places that have these machines, they are video lottery terminals and not poker machines like those found at Burswood Casino. Some confusion exists among non-heavy gamblers in the community when we talk about gaming machines. The provisions of the Stamp Act relating to continuing lotteries are to be repealed and incorporated in the Gaming Commission Act. Therefore, the Office of Racing, Gaming and Liquor will deal with continuing lotteries and the revenue raised from them rather than the State Revenue Department, thus avoiding a degree of overlap. As I said, it is a very sensible housekeeping measure that the Labor Party supports.

The Stamp Act currently provides for the licensing of suppliers, and that will now be done under the Gaming Commission Act. Permits for continuing lotteries currently issued under the Stamp Act cannot be issued under the Gaming Commission Act. The effect of these changes will be to have the regulation of all continuing lotteries under the exclusive purview of the Gaming Commission. That is substantially the intention of these changes. This new regulatory regime is similar, but not exactly the same. These are small changes, but the authorities involved in the regulation of gaming in this State see them as important, and that is why the Government and the Opposition support them. Some amendments may be suggested by my colleagues in the Legislative Council, but I will leave them to provide the details if they decide to go ahead with those amendments.

Under the Stamp Act, the duty to be paid is an amount equal to 5 per cent of the total face value or sale value of all tickets supplied. The rate of duty will change. The levy Bill - one of the Bills being debated cognately - provides that the rate of duty will be set by regulation as provided for under the levy legislation. However, the arrangement will take into account the effect of the intergovernmental agreement and the legislation implementing it, and as a result the rate of duty will change.

I have summarised the purpose of these Bills; this is a simple series of changes. However, I would also like to raise some matters in respect of the Gaming Commission (Continuing Lotteries Levy) Bill, which is the third of the Bills we are debating. It refers to the Acts Amendment (Continuing Lotteries) Bill. The stamp duty has been removed and this Bill provides for the imposition of a levy by way of regulation. The power to set the levy is very wide. It is stated that the levy may be calculated by reference to any factor or factors. A colleague of mine has remarked that he does not believe that is good government, but he acknowledges that some flexibility is appreciated by the bureaucracy.

The current levy under the Stamp Act is 5 per cent. The Government proposes to raise that to 6 per cent to cover the cost of administration. Following the introduction of the goods and services tax on 1 July, the rate is proposed to drop to 3.25 per cent. As I said, these rates are set at the face value of the ticket. This may lead to complications. If this legislation is in operation before 1 July, over a few months we will have three different rates on the face value of tickets supplied through the continuing lotteries regime: First, 5 per cent; second, 6 per cent; and, third, 3.25 per cent. That depends on when the new rates are introduced as a result of the passage of these Bills.

I will make a few comments about the amount of money raised through these continuing lotteries. The annual report of the Office of Racing, Gaming and Liquor might not be everyday reading for my colleagues, and some might be interested in details about this type of gambling. In 1998-99, 511 permits were issued to 22 people for the sale of these beer tickets or break-open bingo tickets. The process raised in excess of \$15m. That was what people spent on the tickets, and some people in the community may see that as a substantial amount of money. Australians are known as very serious gamblers and these amounts are perhaps an eye-opener to those who are not. If one subtracts from that the value of the prizes, the cost of administration and so on, one is left with more than \$3m to be distributed to charities. That is one of the reasons for the existence of these games. In comparison, 33 people are licensed to sell video lottery terminal tickets in Western Australia and 654 permits to sell these tickets were issued in 1998-99. Those sales raised in excess of \$12m at various clubs and other venues. If one subtracts the value of the prizes, the cost of administration and so on, more than \$1m was available to be distributed to sporting clubs and charities. Obviously there is a very good reason for their popularity in the community as a fundraiser for charities. It is one of the less significant forms of gambling when compared with others. Nonetheless, it raises a considerable amount of money for charities and clubs.

Other forms of gaming are referred to in the Office of Racing, Gaming and Liquor's annual report, including two-up, Calcuttas, standard lotteries, gaming in general and bingo. I wanted to draw the attention of the House to the amount of money raised through this form of gambling. As I said, the Opposition supports these Bills because they involve technical changes to the way this form of gaming is administered.

MR KOBELKE (Nollamara) [12.38 pm]: The main intention of these Bills is to achieve an administrative rearrangement of the licensing and control of continuing lotteries. Currently two agencies - the State Revenue Department and the Gaming Commission - are involved in approving various aspects of the regulations applying to suppliers of continuing lotteries. That is an unnecessary duplication. Therefore, it makes sense to have the Gaming Commission perform all the tasks related to the regulation and licensing of suppliers and users of continuing lotteries.

In moving those tasks to the Gaming Commission so that the State Revenue Department is no longer involved, we must ensure that the revenue or stamp duty is picked up by the Gaming Commission. The Acts Amendment (Continuing Lotteries) Bill also clarifies and strengthens provisions of the Gaming Commission Act relating to trade promotions and the prohibition on the possession and playing of gaming machines. I will return to that subject later.

The transfer of the collection of stamp duty to the Gaming Commission is covered in the Gaming Commission (Continuing Lotteries Levy) Bill 1999. As I read it, this simply means that the Gaming Commission of WA will have the power to place such a levy on the continuing lotteries and that that levy will be imposed by way of regulation. Therefore, we do not know exactly how it will function. I hope that the minister will by interjection be able to provide some answers, or we may need to discuss it during the consideration in detail stage. However, perhaps my questions will be answered by way of interjection by the minister.

Mr Cowan: I can tell the member now if he likes.

Mr KOBELKE: The minister may be able to tell me only the part I already know, and I may wish to go further than that. The member for Perth has already said that the stamp duty is now 5 per cent. When this Act comes into effect, I understand that it is the intention of the Government to increase that to 6 per cent, even though that figure was not given in the second reading speech. The second reading speech states -

The proposed levy will be sufficient to compensate for the 5 per cent stamp duty that is currently collected under the Stamp Act, and will meet the Gaming Commission's costs of licensing and regulating continuing lotteries.

It seems that there will be an increased take to cover the 5 per cent plus some costs. Do we have any quantification of how those costs are calculated and confirmation that 6 per cent will be the new rate? That being the case, will the minister provide details of how that new rate was derived?

Mr Cowan: I cannot provide a breakdown of the costs, but I can inform the House that it will be 6 per cent of the face value up until 30 June 2000. Then it will be varied again. In accordance with the Council of Australian Governments' agreement, it will reduce to 3.25 per cent of the face value.

Mr KOBELKE: As the minister is obviously not in a position to answer the earlier question, I turn to the 3.25 per cent. I take it that the 3.25 per cent has been determined because of the agreement between the States and the Commonwealth,

and it does not reflect the commitment up until 30 June to recoup the stamp duty plus a cost recovery for the Gaming Commission. Is the 3.25 per cent calculated on a totally different basis?

Mr Cowan: My understanding is that that is the case. It is 6 per cent up until 30 June. All this is done by regulation. If the member wants, I can show him a copy of the proposed regulation. However, up until 30 June 2000, it will be 6 per cent of the face value of the ticket. Immediately after that it will revert to 3.25 per cent.

Mr KOBELKE: I accept that, and I thank the minister for that. However, I am trying to get behind those figures to understand why they have been set and to understand the mechanisms being used.

Mr Cowan: I am sure I will have the answer for the member because someone will be scribbling away madly. If the member continues to put his points, I will be able to address that when I reply.

Mr KOBELKE: Assuming this Bill is passed, say, by the end of this month - we are looking at the three months of April, May and June - what amount is likely to be collected at 6 per cent over that period? I reiterate the other question I asked because I want an answer to it: Is the 3.25 per cent that will apply after 30 June this year being dictated by the agreement between the States and, therefore, is it not a calculation which tries to equate what the stamp duty revenue will be under the new regime as from 1 July as opposed to that under the regime operating up to 30 June? The second reading speech gave some indication of what the regime will be up to 30 June, but we have no indication of the basis of calculating the 3.25 per cent under the regime which will operate from 1 July 2000 onwards. At the end of this debate when the minister has the opportunity, I would appreciate it if he could explain those matters to us.

I turn to the other area of concern under the Acts Amendment (Continuing Lotteries) Bill; that is, the amendments that give the Gaming Commission extended powers over lotteries and trade promotion lotteries. In the explanatory memorandum we are told that clause 9 amends the definition of "lottery" to enable the Gaming Commission to regulate game shows and competitions that require a person to register to have a chance of participating in a game show or competition that offers participants the chance to win prizes. Again, I want an explanation of what is envisaged in that respect. Perhaps it is just a head of power because it may cover so many possibilities. However, I have a particular case that I will raise in a moment, and members will understand why I am interested to ascertain the extent of those powers.

The next dot point in the explanatory memorandum relating to clause 9 says -

amends the definition of "*trade promotion lottery*" to include a lottery conducted to promote the sale of goods or the use of services in which every participant takes part by reason of the purchase of goods or the use of services, the cost of which is no more than the maximum cost per entry as stipulated in a permit issued by the Gaming Commission under section 104 of the Gaming Commission Act.

I am unclear about where we draw the boundary of trade promotion lotteries, because in some instances, through the radio, television or newspaper, people enter into a competition, with perhaps only a small entry fee. If a person is telephoning in, it is the cost of the phone call. However, with the new arrangement with telephone exchanges, we know that a higher rate can be charged for that call. Therefore, the organiser of the competition can gain a recompense from the telephone service provider for running that competition. There is a fine line between where the money returned to the organiser of the competition simply covers costs, it being solely a trade promotion lottery, and where the supposed trade promotion lottery becomes a money earner for the organiser of the particular competition or lottery. I am not sure whether the definition, which I take to be based on what I have just read into the record from the explanatory memorandum, provides the legal definition or whether it is simply the intent, and the regulations will provide a definition of that form.

Clause 9 of the Acts Amendment (Continuing Lotteries) Bill puts into the principal Act, which is the Gaming Commission Act 1987, a new section 3(1)(b), with the definition of "lottery". New paragraph (aa) states -

any scheme in which such property is, or is proposed to be, given and in which (at any stage) the person eligible to receive the property as a prize, or to participate further in the scheme, is or is to be determined by lot or chance (whether by the throwing or casting of dice, or the drawing of tickets, cards, lots, numbers or figures, or by means of a wheel, or otherwise howsoever) or by reference to any event or contingency dependent on chance, regardless of whether (at an earlier or a later stage) a test of knowledge or skill is or may be required to be passed by any person in order to qualify the person to receive a prize or to participate further in the scheme;

I do not intend to try to analyse that fairly lengthy and difficult new paragraph, but it seems that it will be able to cover television or radio competitions which people enter with a degree of chance and perhaps some degree of skill. The example to which I will refer later relates to a football tipping competition run by television programs, in which there is obviously an element of skill in picking which teams in the Australian Football League will win in a certain round, but there is also a high element of chance. The words towards the end of the definition in that paragraph - that is, it is to be a scheme by reference to any event or contingency and that a test is or may be required to be passed by any person in order to qualify the person to receive a prize or to participate further in the scheme - would indicate that type of competition.

I certainly hope the definition extends to cover these schemes, but how it is put into operation and what effect it might have will be determined by regulation. That matter is particularly important because such programs are extremely popular and people take them at face value - they wish to participate in the hope that they might win a prize but there can be a cost. It might simply be putting a stamp on an envelope to submit an entry for the competition or it might be the cost of a telephone call or possibly repeated telephone calls and it could cost the participant quite a few dollars to submit multiple entries. In doing so, applicants expect the competition to proceed fairly and properly and that they will have an equal chance with

every other player of winning the competition. We are aware from prosecutions in this State some time ago that people with the ability to get at computer exchanges from the inside were able to get their calls through at the appropriate time to win radio competitions in a fraudulent way. People were charged and I understand from the media that one or more persons were convicted because of the action they took to try to win a particular competition. Those matters are clearly outside the ambit of this legislation, but the Opposition wants to ensure through this legislation that the people who are organising these competitions meet certain minimum standards of conduct so that they are fair and proper competitions which do what they are purported to do. I hope these regulations will be used for that purpose. We have here the powers to put those regulations in place.

There will always be the issue for the Gaming Commission of the level of oversight or regulatory power which it will use to ensure compliance. We do not want to put in place such a strict regime that it makes it impossible for many people to run competitions or trade promotion lotteries. There will always be that balancing act. However, there is a need at present for somewhat of a tightening in this area and I understand that the extension of powers contained in the Acts Amendment (Continuing Lotteries) Bill 1999 will enable the Gaming Commission to do that.

I would like to put to the Deputy Premier, and through the Deputy Premier to the Gaming Commission, my concerns about a particular case which was drawn to my attention by a constituent, Mr Michael Bartucciottto. Mr Bartucciottto is quite happy for me to use his name. He hopes that my bringing his case to light will ensure that other people are not caught out in the future. I will not go into too much detail as I understand he is about to take legal action and I do not wish to prejudice in any way his chances of upholding what he sees as his rights in a particular competition. Mr Bartucciottto is a punter and likes to have a go at various games of chance. He thinks that he has a better than average chance of winning because he studies various games of chance to determine how he might best maximise his ability to win. At the start of the Australian Football Season in 1999 a television station ran a national tipping competition. Being a keen follower of sport and someone who likes a punt, Mr Bartucciottto thought he would have a go at the competition. He submitted quite a large number of tips by telephone - indicating which team he thought would win that round of the AFL. I think it was the first or second round last year. He was surprised and happy at the end of the weekend because he had the winning combination among the large number of entries he had submitted by telephone. I am not sure of the exact amount he spent - he has told me but I do not have the documents here - but he spent something like \$100 putting in his tips. Mr Bartucciottto then rang the organisers of the competition to say that he thought he had won and to seek confirmation from the organisers that he had the winning combination and points and that he was a winner of the competition. Mr Bartucciottto then received a series of strange telephone calls from an office in Melbourne and clearly got the impression that he had won. However, in further telephone calls he got the impression that he had not won. He was then informed that even though the advertisement on the television station had indicated that people could put in numerous entries, the only one which counted was the last one and the last entry Mr Bartucciottto put in was not the winning one. Mr Bartucciottto said that that did not seem fair because people were not told during the promotion that only one's last telephone call was registered and not any earlier ones.

Mr Bartucciottto sought to uphold what he thought was his right to be acknowledged as a winner of the tipping competition. He has spent a great deal of time and effort over nearly 12 months telephoning various government agencies in Victoria, New South Wales and Western Australia and trying to find out what had happened. From what Mr Bartucciottto has shown me it appears that it is doubtful whether the television station or the private company which organised the competition for the television station had a licence of any sort when the competition was first advertised. The company did receive a licence from the Victorian Casino and Gaming Authority but the first licence did not say anything about only the final telephone call of multiple entries counting. However, after the weekend on which Mr Bartucciottto picked the winning combination, a second licence was issued with different conditions. The new conditions clearly stated that if one put in multiple entries, only the last one counted. Mr Bartucciottto has applied for freedom of information in Victoria, right up to the Victorian Civil and Administrative Tribunal, the appellate body for FOI in Victoria. The Civil and Administrative Tribunal has suggested that he needs legal representation and that he present himself in Melbourne if he wants FOI - something which will not be easy for a punter in Nollamara. Mr Bartucciottto has been denied access to the files of the Victorian Casino and Gaming Authority which would give him the proof he needs for the case I have outlined - that the rules were changed after he won the tipping competition that weekend. I last heard from Mr Bartucciottto today when I rang to check that he was happy for me to use his name and raise the issue and he now has lawyers willing to pursue the case and thinks he has a good enough case to claim his prize and perhaps something towards the costs he has incurred in trying to uphold his claim to having been a winner of that tipping competition.

This case raises a range of questions about whether we have sufficient regulation for these competitions to ensure that they are run on a fair basis and do what they purport to do. The issue is additionally complicated because we are part of a national scene in terms of our television and radio and competitions generally, but this area of licencing is a state responsibility. It seems that competitions such as the one I have outlined which are broadcast from Western Australian television stations should need to meet the requirements of Western Australian legislation. It is a proper and reasonable thing for us to have reciprocal arrangements so that if a competition meets the registration and regulatory standards in another State, that is sufficient for this State.

I am happy to have some type of uniform system so competition organisers do not need to apply for separate licences in every State. It is my understanding that a competition of that form may not need a licence at the current time, that there is something of a legal uncertainty in that area and that this legislation will enable regulatory controls to be applied to these sorts of competitions. However, that leaves open the issue of jurisdiction between States. I would appreciate the Deputy Premier commenting on that if he can, but it may be a complex legal matter outside his portfolio areas. I do not expect any minister necessarily to be able to give some explanation of the current situation of the application of this legislation to

competitions run from other States and similarly the likely situation of a competition run from Perth and broadcast in other States and whether that competition would need to be registered or licensed in those other States.

In the move over recent years for uniformity of registration or regulation in the States, we may have some form of national exchange for such licensing. The example I have given shows the importance of this legislation, and that we must ensure the regulations are there. In terms of our ability to look at the legislation, it provides more for the power, rather than the detail of how it will work. That is probably a good thing in drafting legislation. In areas like this, which are constantly evolving and changing and in which people are coming up with new forms of competition and trade promotion, to put too much detail in the legislation would not be a workable way of dealing with it.

In this debate today we are left with having to accept on face value from the minister and the Government some explanation of the intention to establish the regulatory regime which this legislation will enable. From the brief descriptions which have been given, it is my understanding that it will give the power to ensure that this type of competition can be regulated. That does not mean that the Government of the day will seek to put in place regulations which are either heavy-handed or light-handed. It simply provides the authorities with the power to do so. Perhaps I should qualify that by saying that the power may be there, and this legislation may not be providing it, so much as covering legal loopholes to ensure there is adequate power. Whichever is the case, having given the Government the power to cover this area, we will have to leave it to the Government of the day to ensure these powers are used so that people entering competition do so knowing they will be run in a fair and honest way and that the competition will do what it purports to do.

We on this side of the House will support the legislation. As I have said, basically it is about administrative matters. This is a tidying up issue, and there are some new areas with respect to trade lotteries and competitions. Because it is a growing area in our media and commercial enterprises, we do need to look at it. The powers in the Bill will enable that regulation to proceed to the degree that we judge necessary at the time.

MR COWAN (Merredin - Deputy Premier) [1.03 pm]: I thank the members who have spoken for their support for this legislation. The member for Perth indicated her support and raised the issue of levies and the capacity for the State to regulate continuing lotteries. She mentioned, quite rightly, that we were seeking to draw this into the responsibility of the Gaming Commission of Western Australia, rather than have a continuing involvement with state revenue. It is seen to be unnecessary for two government agencies to be involved. It is appropriate that the responsible body should be the Gaming Commission.

The member is again right about the amount of money raised by continuing lotteries. In the overall volume of gambling, the sum is not considerable; however, when isolated, a \$15m turnover in the case of one individual and \$12m in the case of another is a significant amount of money in the eyes of most people who participate in these games. The members for Perth and Nollamara referred to the fees that will be applied by the State. I can assure members that it is the intention of the State, by way of regulation, to apply a 6 per cent levy until 30 June. Effectively, that levy should mean that 1 per cent will go to the Gaming Commission and 5 per cent to state revenue for three months, until 30 June. It is anticipated that it will generate approximately \$250 000. That is only an estimate and I would not like members to hold either me or the Gaming Commission to that figure. As I say, the 6 per cent levy to 30 June, of which 1 per cent will go the Gaming Commission and 5 per cent to Treasury, will generate about \$250 000.

In relation to the reduction of the levy to 3.25 per cent, again that will be prescribed by regulation and will commence on 1 July. It is expected that 1 per cent will go to the Gaming Commission; in other words, a continuation of the 1 per cent of levy, based on the face value of the ticket, will go to the Gaming Commission to cover any costs it incurs, and 2.25 per cent will go to Treasury. That is part of the basis on which agreement on the goods and services tax was reached between the Commonwealth and the States, where those issues had to be addressed, and where there would be a reduction in returns to Treasury that would more than compensate for any costs associated with the addition of the GST.

Mr Kobelke: Am I correct in thinking that the GST will be applied first and the stamp duty and the 3.25 per cent will go on top of that figure which includes the GST?

Mr COWAN: I suspect the member is right. That is the way duties are applied. Whenever taxes are applied, usually the cost of the product has the tax added to the total cost. In some instances that includes freight on goods that might be delivered somewhere. People pay taxes on the freight costs that are associated with the goods. I assume all the state charges will be applied, and then the GST will be applied.

Mr Kobelke: Does the minister have any information, without going into the details of the continuing types of lotteries, on whether the new regime, including GST and the stamp duty, will be managed moderately easily in the pricing structure - that is, the increase in prices, and I am not asking about quantum - or whether it will create major problems in some continuing lotteries because they will tend to be put out of the market as a result of the increase that will occur from the GST and stamp duties?

Mr COWAN: I am sure the rate of these levies in the first instance being as low as they are - 2.25 per cent for Treasury, 1 per cent for the Gaming Commission, a total of 3.25 per cent of face value -

Mr Kobelke: Plus GST.

Mr COWAN: Yes. Overall that is not a significant amount for the unit cost. Adding the GST to that will not price these games out of the marketplace. Let me go back to the issue the member for Nollamara raised on trade promotions whereby, in some instances, there was no capacity to regulate the cost of a telephone call. In some instances the capacity to regulate

those charges that were applied to people using that service, using those special numbers, will have a beneficial effect that will offset anything associated with the costs. We must also bear in mind that the levy is only 3.25 per cent on the face value and the GST may be applied to that. I am confident that the charges to be applied by the State, whether they be the Gaming Commission charge of 1 per cent, the state revenue fee of 2.25 per cent or the goods and services tax, will be less than the current rate of 6 per cent of the face value.

Mr Kobelke: I accept what you are saying; it is not counter to what I intended. The point is because there is a wide range of products available under this measure, there may be a shift in the cost structure of some products under the new regime which will move them up into other forms of continuing lotteries. Are there some sectors of the continuing lottery market that may find the new pricing structure a problem? I am not suggesting it will be overall.

Mr COWAN: That may be the case. The point is the charges that will be incurred as a consequence of the Gaming Commission assuming responsibility for this levy are most unlikely to increase because of the agreement ratified by the Council of Australian Governments for the GST transition and the agreed reduction in revenue that will flow to the State through direct gaming charges; in other words, it will reduce from 5 per cent to 2.25 per cent. It must be borne in mind that continuing lotteries will have a flat application fee of \$20 as opposed to the range of fees which vary from \$25 to \$250, which will simplify matters and make it easier for people who want to carry out these forms of gambling.

The member for Nollamara argued an excellent case for these amendments. There is no doubt that the comments he made about his individual constituent will be read in *Hansard* by the Gaming Commission which will take up the issue if it regards it as something of moment. He also asked whether there is a form of interstate jurisdiction or, alternatively, uniformity of regulations between the States. There is no uniform recognition in a formal sense but I assure him that the Government accepts the regulations that apply in other States for one simple reason; that is, many of the businesses are based interstate and, for the sake of delivering uniformity, the Gaming Commission tends to adopt those conditions so that an informal application of uniform rules exists for these forms of lottery.

In the event that members believe there may be a hint of over regulation, I point out that I did not hear that suggestion made by either of the members. It must be stated that businesses conducting trade promotion lotteries can continue to do so without having to obtain permits if they comply with the prescribed conditions. I believe sections 102 and 104 of the Gaming Commission Act have been changed to allow trade promotion lotteries to be conducted without the necessity of having to obtain permits if all prescribed conditions are met. That will ensure that there will be no over-regulation.

I believe I have answered all the questions put by the members for Perth and Nollamara. I thank them for their comments and contribution and for their support of the Bill.

Question put and passed.

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

GAMING COMMISSION (CONTINUING LOTTERIES LEVY) BILL 1999

Second Reading

Resumed from 24 November 1999.

Question put and passed.

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

CONSERVATION AND LAND MANAGEMENT AMENDMENT BILL 1999

Second Reading

Resumed from 14 March.

DR CONSTABLE (Churchlands) [1.07 pm]: I am pleased to have the opportunity to make some comments today about this Bill. This Bill is extremely important and attempts to resolve the conflict between commercial forestry and conservation values. The announcement by the Government last year that the activities of the Department of Conservation and Land Management would be split in two was greeted by the community at large with relief and expectation. It was greeted with relief because it was believed that the Bill would help us to move on after almost a decade and a half of conflict in the Department of Conservation and Land Management. That is where the expectation comes in. With the announcement came the expectation for a better balance between these two sets of competing values. This expectation was in the context of the debate in 1999 on the Regional Forest Agreement. The announcement and the second reading speech by the minister in November brought with them a great sense of expectation in the community. Two Bills, the Forest Products Bill 1999 and the Bill we are debating now, were presented ostensibly to separate the two important but potentially conflicting areas of conservation and commercial forestry. Unfortunately, we have realised that that sense of relief and expectation was short-lived. On my reading of the Bill before us today, the conflict still remains but in a new form. I believed the introduction of the two Bills was an acknowledgement by the Government of the validity of the criticism aimed at CALM during the past decade and a half, especially last year, and the hostility that was evident in the community during the RFA debate.

It was hoped that the resolution of the conflict would lead to the restoration of public faith in the Government's ability to

manage these two important areas of public policy; that is, conservation of the natural estate and commercial forestry, which should be separated once and for all so we no longer have the conflict. I hoped this Bill would reflect more accurately the growing level of importance the community places on conservation and environmental values generally. However, after scrutinising the Bill, and having taken some professional legal advice on its drafting, it is clear to me that, as one member said yesterday, the devil is in the detail. On the surface it appears that the two areas will be completely separated, yet the detail of the Bill indicates that that is not the case at all. In some instances the Bill lacks detail, which is also a weakness.

I turn to the central objective of the Bill. The second reading speech states that the legislation -

. . . will ensure that the often competing needs of land conservation and commercial forestry will be kept completely separate.

It is a very clear statement. Nevertheless, the reality is that they will not be kept completely separate. We have a superficial splitting of the Department of Conservation and Land Management, but the old conflicts will remain within this legislation in another form; namely, within the conservation management process outlined in this Bill. CALM will be split into the Department of Conservation, the Conservation Commission and the Forest Products Commission. On the surface, it appears that they will be completely separate, but it is important to look at some of the Bill's basics to see where they take us in that regard.

The Conservation and Land Management Amendment Bill seeks to establish the new Conservation Commission of Western Australia. I have no quarrel with that. The Bill seeks to rename the current Department of Conservation and Land Management as the Department of Conservation. I have no quarrel with that. Under clause 19 of the Bill, the Conservation Commission will be charged with the job of providing sound advice to the minister on ecologically sustainable land and forestry management practice. I have no quarrel with that. These management practices include those relating to timber reserves and the production and harvesting of forestry produce throughout the State. The Conservation Commission will also be responsible for submitting proposed management plans to the Minister for the Environment for approval. Therefore, the Minister for the Environment will have an essential role in approving management plans. So far, so good. The management plans will cover state forests, timber reserves, conservation parks, land reserved under the Land Act 1933 and land considered to be nature reserves under section 6(1) of the Wildlife Conservation Act 1950. At this point, I have no quarrel.

The Conservation Commission is also charged with the responsibility for setting guidelines for the monitoring and assessment of the implementation and observance of management plans by the Department of Conservation and the proposed Forest Products Commission. I have no quarrel there. The Department of Conservation will bear responsibility for a range of activities: Firstly, the integrated management of conservation land and waters, as it should; secondly, the preparation of management plans for the commission's consideration; and thirdly, preparation and advice on management of native flora and fauna. These are the things one would expect such a department to do. It will also provide scientific advice and draft policy pertaining to the ecologically sustainable management of land. We would expect that to be the case. This includes sustainable levels of forest resource production.

The Bill outlines that certain responsibilities of the old Department of Conservation and Land Management will become the responsibility of the Forest Products Commission. A large proportion of the old functions of CALM will be transferred to the Forest Products Commission, which will be responsible for commercial forestry matters. These responsibilities include three main areas of contracting for harvesting of forest resources from public land, price setting, and further development of the forest resources industry. That seems to be the way to go. The minister administering the CALM Amendment Bill - namely, the Minister for the Environment - will oversee the Conservation Commission and the new Department of Conservation, and the Minister for Forest Products will have responsibility for the Forest Products Commission. This legislation will divide those essential activities.

On the face of it, many people would concur with the Government's claim that the provision of two separate ministers with responsibility for two vastly contrasting policy areas will separate commercial and conservation activities. Indeed, those people would be right, but only if the two ministers concerned retain discrete areas of responsibility. Under this Bill, unfortunately, they will not. People who believe that the ministerial responsibility arrangements separate those two areas have been duped. In examining the legislation closely, one finds some interesting aspects which are the weaknesses of the Bill.

The Minister for Forest Products and the Minister for Water Resources will have what amounts to a power of veto over certain management plans submitted to the Minister for the Environment by the Conservation Commission. Therefore, the Minister for the Environment cannot act without the agreement of those other ministers on certain management plans. I draw the House's attention to clause 26 of the Bill which will amend section 60 of the CALM Act, which refers to the approval of the Minister for the Environment for management plans. Clause 26(2) of the Bill will give the Minister for Forest Products unwarranted and unnecessary power to the extent that the Minister for the Environment cannot approve a proposed management plan for a state forest or a timber reserve unless agreement is reached with the Minister for Forest Products. Essentially, any submission to the Minister for Forest Products must be agreed to, which is a fundamental weakness in the Bill. The minister administering the proposed CALM Amendment Act, the Minister for the Environment, cannot approve a management plan for a state forest reserve without the Minister for Forest Products agreeing to it, and without his submissions being agreed to. Therefore, the Minister for the Environment will continually be in a half-nelson over these issues. The Minister for Forest Products will have ultimate control over those management plans, not the Minister for the Environment. I find this extraordinary, given the ongoing community debate on these issues.

Mr Omodei: I do not know where you get your advice from. If you're correct, does it not work in the converse as well? Does it not mean that the Minister for the Environment can veto the Minister for Forest Products' statements on the management plan?

Dr CONSTABLE: The Bill does not read that way to me and to many other people, but those issues can be thrashed out in consideration in detail.

The Minister for Forest Products in this Bill has responsibility for the Forest Products Commission, as he should. That minister has the most to gain from a management plan which pays little mind to conservation values. The Minister for Forest Products has most to gain from the management plan which allows more commercial forestry activity in state forests. The Minister for Forest Products, not the Minister for the Environment, has the power to control the process of a management plan relating to state forests and timber reserves.

In certain circumstances the Minister for Water Resources is given the same powers as the Minister for Forest Products. Therefore, the provision that allows other ministers an effective veto over a management plan submitted by the Conservation Commission to the minister is tantamount to an infringement on the Conservation Commission's independence. I believe it is very important that the Conservation Commission retain its independence and that the independence is not interfered with. The very important question arises of how the Conservation Commission can possibly fulfil its role of providing independent advice on ecologically sustainable forest management, when the plans it approves for the management require the approval of a minister - that is the Minister for Forest Products - who has a diametrically opposed policy agenda. The two simply do not go together.

I agree that the Conservation Commission cannot receive, consider or approve a management plan in isolation. Of course it may seek submissions from everyone and take account of those submissions. Clearly, it is important that the Conservation Commission consult with the Forest Products Commission and the Water and Rivers Commission in certain circumstances. However, clause 26 takes working in tandem too far; it goes overboard in giving that power of veto to ministers other than the Minister for the Environment. Clause 23 which amends section 54 of the extant Act provides adequate opportunity for the Forest Products Commission and the Water and Rivers Commission to consult with the Conservation Commission. Therefore, other clauses in this Bill give plenty of opportunity for consultation, but clause 26 goes too far.

Clause 24 of the Bill provides for copies of public submissions to be provided by the Conservation Commission to the Forest Products Commission in the case of proposed management plans for state forests or timber reserves. The Forest Products Commission will have access to all those submissions, as will the Water and Rivers Commission have access to submissions which concern it. There is a great openness in the sharing of that information. The Conservation Commission is also compelled under clause 25 to provide copies of proposed management plans to the relevant ministers for their information. Therefore, clauses 23, 24 and 25 provide plenty of opportunity for consultation and the sharing of information, but clause 26 goes too far in interfering with the independence of the Conservation Commission. I believe that that independence is compromised substantially in clause 22 of the Bill and also in clause 26 of the Bill. I believe that the Minister for the Environment's responsibilities are also compromised. I placed on the Notice Paper my intention to move amendments to clause 26 that will I hope ensure the independence of the Conservation Commission and the authority of the Minister for the Environment.

I also draw attention in the few minutes remaining to subclauses (2) and (3) of clause 22 which raise a number of very important questions. A term used in those subclauses is "acting jointly". My advice is that before we can proceed any further, we need a definition of the phrase "acting jointly", because it is hard to determine what that means. I hope that the Minister for the Environment will be able to enlighten us on that. Subclauses (2) and (3) of clause 22 require the Conservation Commission and the Forest Products Commission to act jointly. The Bill is very vague on what that means; in fact, there is no real indication of what it means. The great fear is that accepting those two clauses as an undefined term gives carte blanche for activities that we need to have spelled out before this Bill is passed. There is concern in the community, and I certainly have concern, that clauses 22 and 26 allow far too much interference in the work of the Conservation Commission and its minister.

The bottom line of this legislation is that it continues to support the conflict between very important conservation values and very important commercial forestry values. Until that conflict is resolved, this Bill will fall short of what is required in dealing with those areas.

MRS EDWARDES (Kingsley - Minister for the Environment) [1.35 pm]: I thank members opposite for their comments. We regard this Bill as very significant and very important for the changes that we are making to forest management. I would like to use my response time by going through the various issues that members opposite have raised, some of which indicate a lack of understanding or misunderstanding of some of the interpretation. I will attempt to address that lack of understanding now before we get to the consideration in detail stage.

One of the comments made by the member for Maylands was that one of the problems with the current structure, which we acknowledge, is that the focus has been on the Department of Conservation and Land Management decision making instead of on ministers' decision making. That has been a major concern which we in government share. The changes that will come into being through this Bill will ensure the transparency of decision making on conservation and use of forests for timber production, which has been internalised in CALM. A major flaw of the Conservation and Land Management Act is that the state forest was not treated fully as part of the conservation state, although I acknowledge the fact that the forest has always been managed with a conservation purpose. The legislation before the Parliament provides for a complete transparency of decision making on forest use. This new openness will be enhanced by processes set in place by the Acting

Executive Director of CALM to develop a completely new approach to public consultation on all future CALM activities. Although that process has started, we believe that it will not be complete until such time as the public has confidence in the consultation process. That will take some time to develop. We will develop it with the community.

One of the other concerns that has been raised is that conflict still remains, particularly with wildflower picking. The point the member for Maylands raised was that because wildflower licences have been issued, these have held up the proclamation of the Mt Roe National Park. That was given as an example of the type of conflict referred to. The inference of the member is that the gazettal of the Mt Roe National Park has been delayed so that CALM can gain increased revenues from wildflower picking. That is not entirely correct. CALM recommended the creation of the Mt Roe National Park. If the department had the tiny revenues that it gets from wildflower picking as its driving force, it would never have recommended that a park be created. The Mt Roe National Park contains significant flora which is relied on by the local wildflower picking industry. To allow the industry time to relocate to other areas, it was recommended that a transition period of 10 years to phase out the wildflower picking in the proposed park be allowed. That process is being undertaken at the moment.

Although the example the member raised is probably not a good one, the issue of the potential future conflicts of interest is overcome by the transparency of the process created by the new structural arrangements in the legislation. I hoped that the Opposition would recognise that the Conservation Commission will be a new and powerful watchdog over the land management activities of the Department of Conservation as well as the resource extraction activities of the Forest Products Commission.

Opposition members also expressed concern there would be a conflict of interest with tourism. They stated that they were concerned that the setting up of a more commercial tourism unit had the potential to exacerbate the conflict of interest. The Department of Conservation is not in the tourism business. It is in the business of providing visitor services. Where the department carries out tourism activities it is usually on the basis that the private sector did not wish to pick up that product. On many occasions the department has called expressions of interest for particular products, which have not been picked up because they are not commercially viable. The private sector will get involved only where it can make a dollar.

The department's involvement in tourism was the subject of examination when determining the core business of the Department of Conservation. Where we find that tourism products can be put out to the private sector we will do that. The examination has already identified a number of those products. The department has a significant function in providing visitor services to the State's conservation lands and controlling access to those lands, so that the conservation estate is not degraded. Although the department's future direction in this area is under review I am confident that the best of CALM's activities in controlling and providing for visitor access will be retained. The Conservation Commission, the vesting body for all the conservation lands, will be the watchdog of the Department of Conservation's activities in providing those visitor services. The majority of CALM's revenue from visitor services is derived from entrance fees to national parks, and those fees are reinvested into park management by the department. I am not aware of any suggestions that that is an inappropriate use of those means.

The Opposition also expressed concern over the Bill's lack of focus on indigenous issues. The member for Maylands and I were present at a seminar on Saturday at which Mr Peter Yu raised his concerns that Western Australia was the only State not to identify Aboriginal involvement in park management legislation. Although I have not had the opportunity to check that statement, I confirm the Government's commitment to involve Aboriginal people in the management of our parks. That is a clear commitment under the Regional Forest Agreement signed last year. We will address many of the commitments given under that agreement in the development of further legislation. That being the case, we are presently looking at options for Aboriginal interest in park management to be addressed within the framework of the current legislation. The Acting Executive Director of the Department of Conservation and I will meet with Mr Yu to further explore that. It is a complex area of policy and one in which the Conservation Commission should play a lead role. The Government would expect some significant advice from the Conservation Commission on the resolution of that issue.

The Opposition also referred to its concern over funding. We all want to ensure adequate funding for the Forest Products Commission, the Conservation Commission and the Department of Conservation. The Forest Products Commission will be funded through royalties, with a dividend being paid to the Government.

The member for Maylands also referred to science funding and stated that it was Labor Party policy to promote the splitting of CALM's science activities into a completely new agency. Members opposite should be aware of the significant disquiet among scientists at the prospect of being placed in a separate institute which - as they see it - would stand well back in the queue of government priorities behind the major issues of health, law and order, and education. Throughout the 15 years of CALM's existence it has shown a strong commitment to science. The CALM science division, including its administrative structure, encompasses over 150 people. That significant investment has been maintained over that long period and is highly regarded. Departments elsewhere around Australia have made changes to their science divisions in land and forest management areas and conservation departments in such things as joint ventures with academic institutions and the like. Western Australia has maintained a strong commitment to CALM's science division. That is not to say that there is not a better way to do things, but the initial view put to us is that a certain disquiet exists about creating a scientific institute.

A key point raised by a number of members is how the Minister for the Environment, the Minister for Forest Products and the Minister for Water Resources will reach agreement over forest management plans. This is one of those areas that has been completely misunderstood by members opposite and members of the conservation movement. The Government's new

direction in forest management will result in changes in the planning process for the creation of forest management plans. New forest management plans will be prepared by the Conservation Commission, through the agency of the Department of Conservation, with the joint participation of the Forest Products Commission. The plans will then be released for public consultation and at the same time referred for assessment to the Environmental Protection Authority.

Dr Edwards: The briefing notes I was given last year say that the plans will be prepared in that way, but they will go to both commissions for approval for release.

Mrs EDWARDES: There will be two stages - a draft and then the final. Drafts will be prepared with the joint participation of the Forest Products Commission and the Conservation Commission. Both commissions will be involved in the development of draft forest management plans.

Dr Edwards: Must both commissions agree for the draft plan to then be released to the public and then to the Environmental Protection Authority?

Mrs EDWARDES: The plans will be released to the public by the two bodies and at the same time will be referred to the Environmental Protection Authority. There will be two sets of public consultations: The Conservation and Land Management Act provides for public consultation for a draft forest management plan and the Environmental Protection Act requires an assessment of that plan by the EPA. The Environmental Protection Authority also involves public consultation in its assessment. If the EPA considers the plan acceptable, it will then recommend ministerial conditions on all proposals which are put before it, exactly as it does now. We are not in any way or form changing the EPA process with these Bills. That will still be in existence. Those conditions will be determined by the Minister for the Environment, not the Minister for Forest Products. A forest management plan can be implemented only in accordance with those conditions. If the Minister for Forest Products sought a substantive change after a plan had been assessed by the EPA, the EPA would probably have to reassess it, as the authority is entitled to assess anything that has not been dealt with in an original proposal. That is the safeguard. The idea of a veto which the member is talking about is absolutely wrong. I will give members an example of a veto: A veto is when somebody overrides a decision and then puts in place his or her particular proposal. That does not and cannot happen under this legislation. The member is talking about agreement; it is not a veto. She is talking about an agreement between the Minister for the Environment and the Minister for Forest Products. If, as the member said, one minister overrides the other minister, because it is an agreement there is the other side. The Minister for the Environment can also say, "I am sorry. That will not happen for these reasons." There is no veto and the member's perception is wrong. It cannot be a veto.

Dr Edwards: What about if you cannot agree and it goes to Cabinet and the Minister for Forest Products prevails?

Mrs EDWARDES: There is an open and transparent process. If there is a substantial change, it must go back to the EPA.

Dr Edwards: Our point is that when it goes back to the EPA, and the EPA again makes recommendations to the Minister for the Environment which go against what Cabinet had previously decided, will the Minister for the Environment go against a previous Cabinet decision? Probably not.

Mrs EDWARDES: With the public process and the assessment, and in the instance of a reassessment by the Environmental Protection Authority - the independent environmental body - it would be a pretty dumb Government, particularly on an issue as sensitive as this, which did so. The safeguard is the transparency of the process. I reassure members that we are not a dumb Government. It is most unlikely that the Minister for Forest Products would seek any substantial change to the plan, given that his agency, the Forest Products Commission, has participated in the preparation of the original plan. Again, we are working together and building in the level of agreement. The Minister for Forest Products has already said publicly that any significant change which he might seek at the end of the planning process would more likely disadvantage the timber industry because contracts cannot be let until a management plan is in place.

Another concern was the wish for a cultural shift in which information would be made readily available and in which the Conservation Commission would have the power to either get its own consultants and get all the information or get all the information from the Department of Conservation. It can set the performance criteria in an effective manner. That is the beauty of these amendments. The Conservation Commission has a significant role under this commission, unlike the current National Parks and Nature Conservation Authority of WA and the Lands and Forest Commission. It will be separately funded. It will employ its own staff, and in the new section 26 it will have the power to engage persons to provide professional, technical or other assistance if the commission believes it needs to do so. It will also have the capacity to seek the assistance of the Executive Director of the Department of Conservation to provide it with the information it needs to undertake its business. In terms of the provision of information, the ability to obtain or gain the information is there.

Another comment that was made was that the budget of the EPA currently appears as a couple of paragraphs within the budget of the Department of Environmental Protection. In fact, the EPA's budget occupies approximately one and a quarter pages of the current budget statements and provides sufficient detail of the outputs expected and the output measures applied to the authority. The budget for the Conservation Commission will be presented in a similar manner.

The point was also made about the appointment of commissioners being open and transparent and independent of the Department of Conservation and the timber industry. The appointment of the commissioners to the Conservation Commission is a matter for the Minister for the Environment. The Government recognises the importance of this body for the sound management of the State's conservation lands, fauna and flora and will ensure that appropriately qualified people

will be chosen for appointment to the commission. Members of the department and the Forest Products Commission and/or its staff will not be eligible for appointment to the Conservation Commission.

Another issue that was raised concerned the processes and procedures for a more healthy culture of looking outwards. That is recognised as one of the real outcomes of this legislation: To separate the conflict of interest between conservation and production from within a single department. Inevitably, it is those who are opposed to timber production who would consider the culture of CALM as an exploitive culture, whereas persons who are pro-development may consider the department is excessively conservation oriented. Therefore, the new structures are designed to make transparent all of the decision making within the agencies and to bring an openness to the decisions which have been internalised in the past.

Another issue was about bureau services being provided as well as the staffing of the Forest Products Commission. Again, there has been some misunderstanding of the proposed structure arrangements in this area. A fully developed structure will be prepared for the Forest Products Commission which will result in the transfer of approximately 200 current CALM staff. To minimise the expenditure on overheads, it is proposed that corporate services be provided on a bureau basis to both the Forest Products Commission and the future Department of Conservation. That means that as much as possible of the routine human resources, financial information, financial management, information technology and geographic information systems will be made available to both agencies by a bureau located within the Department of Conservation rather than duplicating those non-operational activities in both agencies.

I am about to sign off on a letter to the member for Maylands to provide that information. If members have any further concerns or issues about that, I would be happy to provide a more in-depth briefing.

[Leave granted for speech to be continued at a later stage.]

Debate thus adjourned.

[Continued on next page.]

PARLIAMENTARY PRIVILEGE AND THE RESPONSIBILITY OF FREEDOM OF SPEECH

Statement by Speaker

THE SPEAKER (Mr Strickland): Prior to question time I wish to make a statement on parliamentary privilege and the responsibility of freedom of speech.

Television is a powerful medium, and now that this House is providing a full television signal to the media, I remind all members that in exercising the mighty right to speak under protection of parliamentary privilege, they have a reciprocal duty to exercise that right carefully and responsibly, especially in relation to people outside the Parliament. We know only too well that damage to lives and reputations is much easier to do than to undo, and particularly in the run-up to an election, members should be cautious about letting the prospect of a short-term political gain lead to unwarranted, long-term, and disproportionate damage to individuals. The immediacy and potency of television magnifies both the attraction for members to make headline-grabbing statements, and the risk of harm to people unable to properly defend themselves. There is often a price to be paid for ill-considered actions, but we may not be the ones who have to pay that price.

I urge members to consider well the fact that as representatives they are leaders in the community and the words they use, particular in this House, carry special weight. Not only do individual members need to keep their responsibilities constantly in mind, but the House as a whole should be vigilant to guard against abuse - for if the House is not the guardian, no other body can be.

In a speech to the UK House of Commons in May 1978, Enoch Powell said -

... a privilege which cannot be abused is no privilege, for that which constitutes abuse is a matter of opinion and it is part of the privilege of this House and of individual members to be able to say in this place not only what they would not say outside without the risk of process but to be able to say that to which grave objection is taken by every other Hon. Member.

While Powell is right about subjectivity in determining whether there has been an abuse of privilege, that does not mean that serious abuse should be tolerated and, hard as it may be, we will need to make judgments from time to time. This is not an issue we as individuals can decide to leave to anyone else, even other members: It is an unending responsibility to be carried by each of us. Freedom of speech in this House is essential to the health of our democracy, but if we fail to act responsibly, others will suffer and the institution of Parliament will be degraded.

Having mentioned those matters, I should mention the way in which parliamentary privilege works in relation to freedom of speech. I am not about to give legal advice, but only to remind members that they need to take care.

Communications in the course of proceedings in the House and its committees, including witnesses giving evidence, are absolutely privileged. No action can be sustained in courts or elsewhere outside the House for something said or done as part of those proceedings. However, if any one of us, or any member of the media or the public reports those proceedings to anyone else, they are covered only by qualified privilege. That means in essence that any report of proceedings receives the protection of privilege if it is a fair report, made in good faith, for the information of the public. If members are in any doubt about any report of proceedings they wish to make to their electors or others, I suggest they seek appropriate advice.

[Questions without notice taken.]

CONSERVATION AND LAND MANAGEMENT AMENDMENT BILL 1999*Second Reading*

Resumed from an earlier stage of the sitting.

MRS EDWARDES (Kingsley - Minister for the Environment) [2.40 pm]: I was speaking about the proposed structural arrangements. I indicated that the bureau of services to be provided to both the proposed Forest Products Commission and Department of Conservation will ensure that there will not be duplicated corporate services. This will maximise the amount of money available to the State to spend on conservation and the return to the State from the products sold by the Forest Products Commission.

The SPEAKER: Order members! The member for Avon and other members will listen to me when I call order.

Mrs EDWARDES: One of the other questions raised related to the memorandum of understanding between the Department of Conservation and the Conservation Commission, and the memorandum of understanding between the Conservation Commission and the Forest Products Commission. The bureau of services that I have just mentioned will obviously be detailed in that MOU between the Department of Conservation and the Forest Products Commission. It will also deal with the operational requirements of the Forest Products Commission with arrangements for preparation of logging plans, the conduct of pre-logging surveys, the provision of access to forest by the commission staff, responsibility for occupational, health and safety issues, coupe clean-ups, inspections and the return to the Department of Conservation of harvested coupes. There will also be a need to define all the working relationships, time lines and accountabilities for various functions involving the business of the Forest Products Commission and the management of those areas of land to which the commission has access.

It is expected that the MOU between the Department of Conservation and the Conservation Commission will specify the services to be provided to the commission by the executive director, the delegation of any matters to be delegated by the commission to staff allocated to it by the executive director and the working relationships between the commission and the department involving such matters as the provision of corporate services.

The issue of water rights being introduced in the Bill was another issue raised. Those rights given to the Conservation Commission and the Department of Conservation in respect of water are equivalent only to the rights of an occupier of land. Water will not be sold, but permission to access and take water can be given only if a management plan allows for it to happen. As with all other uses, it will have to be incorporated in the management plan. If permission to access and take water is given, a permit holder will not be able to extract water unless the relevant licence is held under the Rights in Water and Irrigation Act. It is also important to note, as this was one of the issues raised by the conservation community, that nothing in this Bill affects the way in which public water catchment areas may be established. The establishment of the legislation dealing with water catchment areas has a long history and there is no change to that legislation in the Bills before us.

The Conservation and Land Management Amendment Bill provides that where a public water catchment area coincides with the Conservation Commission reserve, the Water and Rivers Commission and the relevant water utility will participate in the preparation of the relevant management plan.

Another explanation sought related to how the CALM assets and debt will be divided and managed. The acting executive director has created a number of working groups in the department to progress the new structural arrangements. Discussions are being undertaken, departmental assets are being examined and recommendations will be made. It is premature at this stage to provide definitive advice about how the debt will be divided and managed. However, minor assets will be divided to ensure that each of the new entities can properly function when the legislation is promulgated and to ensure that the cost of debt servicing is properly apportioned on a functional basis between the new agencies.

Reassurance was sought that the areas under the current management plans which are designated to become national parks or conservation parks will be protected and not be logged before a future management plan is implemented. Attachment 1 to the Regional Forest Agreement states that the areas that were proposed as a formal reserve in the forest management plan, but are now intended to remain as state forest under the agreement, will continue to be managed as proposed reserves in accordance with the current forest management plan until a new forest management plan that implements a change is gazetted. I have previously reinforced that view in this House and I again reinforce that view.

Another question was raised in respect of the new Wildlife Conservation Act. Again, I have advised this House previously that the Government is developing a biodiversity conservation Bill. We will be conducting a public consultation process prior to bringing the Bill into the Parliament, hopefully this year. It is important when a major review of an Act is conducted, as this will be, that the consultation process is not cut short. To date extensive consultation has occurred with stakeholders and those stakeholders are well aware of the content of the proposed legislation. However, the drafting on the biodiversity conservation Bill could not proceed at as full a pace as we would have liked it to occur as we have been drafting the current Bills before the Parliament.

Another question related to the need for reform on the issue of dieback. I advise this Parliament, as I have done previously, that we put into effect a three-year review of dieback management involving eminent, independent, scientific input. That review made significant recommendations about the way in which the land is managed for dieback. We appointed a dieback consultative committee chaired by Dr Owen Nichols to implement the recommendations of the dieback review

panel. This Government agrees that dieback and the disease caused by it are major threatening processes to the State's biodiversity. We hope, and expect, that the Conservation Commission will play a significant role in developing a policy to assist the Government in addressing the issue of dieback.

There was concern about the lack of attention to the rights of indigenous people and questions were asked about intellectual property, particularly relating to bioprospecting. In view of the State's responsibility as the custodian of an enormous wealth of biological plant material that has potential pharmaceutical application, it is probably worthy of a separate and major debate. However, significant conservation and ethical issues are involved in providing or preventing access to this material. The State has facilitated access to only a very limited extent and with significant safeguards. This will be a major policy issue which must be addressed by the Conservation Commission to provide guidance to the Government, particularly in dealing with sensitive areas, which areas are likely to increase as bioprospecting as an industry continues to expand. We will also be seeking advice from the Conservation Commission on the proper treatment of Aboriginal property rights in any bioprospecting activity.

The Leader of the Opposition made a few comments, one being that the legislation presented by the Government falls well short of the clear separation of roles contained within Labor's policy. The Department of Conservation will remain the manager of state forests and timber reserves as well as the manager of national parks and nature reserves. I am not sure of Labor policy in that regard. If the Leader of the Opposition believes that state forests and timber reserves should be managed by the Forest Products Commission, he has misunderstood the mood of the people concerning native forest management. He stated that Labor Party policy is for CALM to be split into a forests department, a national park and conservation service and an institute of biological information and research. Does that mean that the forests department would manage conservation in state forests? If so, the Labor Party's proposal would create a conflict of interest. If Labor proposes that the forest department not manage the land for its other values, including conservation, that is the model the Government has incorporated in this Bill. I seek some clarification from the Labor Party. Where does it consider that responsibility for forest and lands should reside, and should those areas be given the same status in their management as other conservation land? The strength of the Government's proposal is that, for the first time, all land will be vested in one body. That is very positive. I would like clarification of Labor Party policy because, if it suggests something different from the Government's proposal, maybe the conservation movement should be questioning where the Labor Party would prefer to see forests vested. I think the Leader of the Opposition suggested yesterday that they should be vested in a forests department. Should forests not be vested in the Conservation Commission as proposed in the Bill before the House?

The Leader of the Opposition raised yesterday the plight of the Albany truck driver Mr Mike Webb. I advise the House that the Government has engaged in discussion with Mr Webb regarding the business exit program under its forest industry structural adjustment program. However, at this time, a difference exists between the valuation from Mr Webb's valuer and the valuation obtained by the Government. That matter can be resolved in the near future, and will involve the Minister for Forest Products discussing this matter with Mr Webb directly. It is not the case that he has been ignored; we have engaged in discussions.

The member for Nollamara indicated that the Government had done little or nothing to assist workers who will be affected by the reduction in the forest cut. It is absolutely incorrect for the member to assert that the Government has abandoned the rights of workers during the restructuring of the industry in the south west. The Government has been proactive in ensuring that the rights of workers and their jobs are protected.

I now point to a couple of examples in that regard. When the receivers and managers of Whittakers decided to close the Greenbushes mill, the Government underwrote workers' entitlements and provided a total of \$1.45m, which comprised \$830 000 for retrenchment entitlements and \$620 000 for redundancy top-up and pro rata long service leave. Further, CALM was provided funding of \$800 000 to carry out forest enhancement work to initially employ 25 people displaced from the Greenbushes mill. Although a few of those people have subsequently obtained other employment and left, the majority of them are still employed in the department. When Sotico Pty Ltd, formerly Bunnings Forest Products, decided to close its Manjimup engineering works, the Government took active steps to ensure that the business continued by facilitating the transfer of the business to the new owners, Cutts Transport Pty Ltd.

The forest industry structural adjustment program has three aspects; namely, business development assistance, business exiting, and workers' assistance. The program is in place and will assist any worker affected by the decisions made by his or her employer and who decides to exit the industry. However, that has not yet occurred. Until it does, there will be no need to activate any one of those programs for any worker. Nevertheless, it is in existence to help any worker affected by any decision.

I have addressed other comments made by members in the debate in my response to the comments of the member for Maylands. I thank members for their comments. As I indicated, a small number of amendments will be moved in respect of the plantation industry, particularly following the report tabled by the Minister for Forest Products. We hope the amendments will be tabled in this House next week to allow members opposite time to work through them before the consideration in detail stage. I look forward to that debate and will endeavour to further highlight some of the issues involved and alleviate the concerns raised. I hope that in addressing many of those concerns in reply to the second reading debate, some confidence has been given to members opposite which will shorten the consideration in detail debate.

Question put and passed.

Bill read a second time.

FOREST PRODUCTS BILL

Second Reading

Resumed from 25 November 1999.

DR EDWARDS (Maylands) [2.55 pm]: The Opposition will not oppose this Bill, but will use the opportunity of parliamentary debate to ask some questions, particular regarding some areas in which we lack full understanding of what the Bill proposes. The Labor Party will move a number of amendments which we hope the Government will take very seriously as we feel that we have identified a number of major flaws in the Bill which the Government must tackle.

We have had a long debate in the past 24 hours on the Conservation and Land Management Amendment Bill 1999, and the Forest Products Bill fits with that measure in a package to split CALM and to tease out the conflict in CALM about timber production and its conservation activities. We are pleased to see this second Bill in Parliament. The split of CALM is a step forward, but the Opposition still has some qualms relating to the CALM Bill, and others concerning the Bill before the Chair. The Regional Forest Agreement, which was released in May 1999, made reference to splitting CALM in at least two areas. Clauses 87 and 95 made reference to Western Australia undertaking a legislative review of the CALM Act, and attachment 5 to the RFA read -

Western Australia will introduce into the Western Australian Parliament amendments to the *Conservation and Land Management Act 1984* (WA) to remove the Executive Director of CALM as a member of the Lands and Forest Commission and the National Parks and Nature Conservation Authority.

That is precisely in some ways what these two Bills are doing. We are finally going down that track.

One of the reasons that we need to go down that track is exemplified in a report tabled yesterday from the Forest Production Council. This report is less than three pages long. In fairness to the members of the council I acknowledge that for some time they have known it would be abolished. I understand why this report is particularly short. However, the Forest Production Council is a body set up under the Conservation and Land Management Act. It is to advise the minister generally on timber issues but in particular on improving production and management plans and on the uses, processing and marketing of forest produce. According to this annual report only eight out of 14 members are currently sitting on the council. There is an excuse for that for the financial year ending June 1999. However, the problem is that since I have been the opposition spokesperson for the Environment the reports have been the same virtually every year. I can tell members what will be in these reports until the council is abolished. There will be a report that membership is only a bit over half of the number of members who could be appointed; that usually they have had only one meeting, and in this instance when the financial year ended on 30 June the meeting was held on 23 June, which is the usual pattern; that is, at the end of the financial year they quickly call a meeting. Also in this report as in reports from other years, the funding of the council is explained away by saying that all council financial expenditure and administrative support is met by CALM.

In the initial period when I was opposition spokesperson for the Environment, the Lands and Forest Commission's reports were similar but in the past few years they have improved. The commission is holding more meetings and its members seem to be taking their job more seriously. However, with the executive director sitting on the Lands and Forest Commission and with both the executive director of CALM and the director of forests having ex officio positions on the Forest Production Council, one can understand the concern about CALM being so closely involved in the bodies that are overseeing what happens to the timber side of its activities. It is pleasing that at least now we have a Forest Products Bill in conjunction with the Conservation and Land Management Amendment Bill which sets up a new Forest Products Commission and makes very clear the separation. As a number of members have said, despite what our leader said, we welcome the fact that the lands will be vested in the Conservation Commission. We think that is an advance.

I move on to make some comments about issues and matters that have arisen post the Regional Forest Agreement. Despite what the minister said a moment ago and despite the statement this morning by the Minister for Forest Products, there is still disquiet and a feeling that funds are very slow in flowing through to the RFA. In some ways it reminds me of the National Heritage Trust. It all sounds good and it looks good on paper but the people on the ground have the feeling that they are disconnected from the process. Indeed, I received an email this morning from a federal Labor colleague alleging that Mr Tuckey has effectively frozen funds linked with the RFA in various States. The email contains a copy of an address given in Federal Parliament recently. I am trying to find out if the federal minister has also frozen funds for Western Australia. I am suspicious that he might have done so because I have been able to get only one briefing on the forest industry structural adjustment program and matters flowing from the RFA. My recent request for a further briefing has been met with the response that some details are yet to be finalised and could I please wait until that has occurred. I am happy to do that rather than have a partial briefing, but I hope that the State and Commonwealth Governments can get their acts together and that we will see the memorandum of understanding signed off, the money coming in and the minister able to get on with some of the tasks that he needs to do.

I also want to raise the issue of the sale of the Nannup mill. I have a copy of the advertisement that was placed in the business section of *The West Australian* on Saturday. I note that the advertisement reads -

Sotico (formerly Bunnings Forest Products) in conjunction with the West Australian Government, is calling for registration of expressions of interest for the sale of Sotico's Nannup Sawmill.

We are all pleased that the advertisement is finally here. When the RFA came out in May, the Minister for the Environment was in Nannup reassuring workers that they had a future and that there would be a mill there. Finally now in March this

advertisement is an expression of that proceeding. If the minister is able to give me more information in his response, I would appreciate that. In a recent briefing I had with CALM I was told that this was totally a Bunnings issue and that it did not involve CALM or the State Government. That surprised me a little because one would think that the Government needs to be involved given the commitments made previously. Indeed, this advertisement says that SOTICO would be acting in conjunction with the Government. My second question relating to the advertisement is the statement in it that reads -

The West Australian Government has made a commitment to provide up to 20,000m³ per annum, under a contract of sale, of Jarrah first and second grade sawlogs to be processed on the Nannup site.

I am interested to know whether that contract is already placed with Bunnings or is it a new contract. If it is a new contract, where will it come from and how will it get there? Any update that the minister can give would be most welcome. I notice that parties must register their interest by 28 April. I hope that once interest is registered the procedure then moves fairly quickly so that people who are worried get some sort of assurance about their future.

I want now to make some more specific comments on some of the components of the Bill. The first issue I want to comment on is the Forest Products Commission. The biggest problem the Labor Party has with this legislation concerns the make-up of the commission and how that will affect its operations. The commission is to have seven commissioners appointed by the Governor on the nomination of the minister on the basis of their expertise in commercial activities relevant to the functions of the commission. That means essentially their commercial activities in the timber arena. Inevitably the commission will be made up of timber industry representatives. That is there in the Bill. We are concerned that with the population of Perth and Western Australia being so small and with the industry being rather small also, people who are appointed may well have conflicts of interest or potential conflicts of interest. I will give as an example the appointments that the Minister for the Environment made after the RFA through the Interim Forest Industry Ministerial Advisory Committee. I acknowledge that the IFIMAC is an advisory committee, but at that stage it had as its chair Mr Ian MacKenzie, who subsequently resigned because he believed that he may have had shares which might be perceived to conflict with his duties on the committee. The members were Mr Ron Adams from Bunnings, and Mr Geoff Bertolini and Mr Trevor Richardson, both of whom have interests in the timber industry and also in structural adjustment money to further their plans.

Mrs Edwardes: This is the point I made at the workshop on Saturday: No person who has a contract with the Forest Products Commission will be eligible for appointment to the commission. We will not be doing that.

Dr EDWARDS: We are pleased with what the minister has said. To rule out anyone with a contract is a very good idea and a very sensible step forward. However, I guess that until we see it on the Notice Paper, we will not be absolutely convinced that it will happen. I look forward to that amendment appearing on the Notice Paper, perhaps even tomorrow. That would be good.

Mrs Edwardes: Our amendment will not be on the Notice Paper until next week.

Dr EDWARDS: Thank you. We are also wary of some of the functions of the commission. The first is to advise the minister on the commercial value and prices of forest products. That is contained in clause 10(1)(b). The second is to sell forest products by way of contract. The third is to enter into contracts with any person for the harvesting of the forest products. Under the current royalty system at least there is some transparency in the process. We are able to get lists of what the royalties are and, yes, they vary for the type and grade of timber and for the region, but we have that basic information. If the Forest Products Commission plays a major role in the setting of these prices - I will say more about the royalty system in a minute - potentially we could lose some of that transparency and there could be some conflicts with what it is doing.

The Labor Party has identified four other potential problems with the commission's advisory role on prices. The first point is that the commission will be in a potentially dangerous situation if representatives of timber companies are involved in setting the price that companies pay for timber. The minister said that people with contracts will not be appointed to the commission. However, the Government will also need to look at the way in which people are appointed. If someone were appointed wearing a Forest Industries Federation (WA) hat, the Government would need to be sure that he or she did not have any other interests. The second point is that the commission is unlikely to reverse the price preference for native timber over plantation timber if its membership is largely derived from the native timber industry sector. We hope the Government will look at that aspect of membership and pay some attention to - after the announcement of a few days ago - perhaps what one could refer to as the burgeoning plantation sector. The third point is that potentially the commission could discriminate by charging different prices to different companies for the same timber product from the same area. Alternatively, to put it more positively, it could be advantaging certain people in the same manner. We need to ensure that all these processes are transparent and open, so that the community knows exactly what is going on with prices and contracts, and they know that decisions are made in a fair and equitable manner. The fourth point I want to make is that, because the commission will act as a corporatised body, the community will not always have access to all the information that it wants. We hope the commission will not hide behind the veil of commercial confidentiality. As members we have come across instances of government trading enterprises putting up this veil of commercial confidentiality and we cannot always get the information that we want. That was the case recently with some freedom of information material we received from the Water Corporation. Although generally the corporation is very good about providing information, each time there was a dollar sign the figure was ruled out in black, so we do not know what is behind those figures.

The commission's function in letting contracts to sell forest products also has the potential to create conflicts of interest.

The commission will enter into contracts to supply timber to companies, and some commissioners may have some interest in that. We need to see amendments on the table that will ensure that no commissioner has an interest in any contract that the commission is entering into.

Schedule 1 of the Bill sets out how the commission will deal with its conflicts. When the Opposition raised some of these conflicts in the media last week, the Minister for Forest Products offered reassurance by referring to the schedule. We do not take a lot of comfort from the schedule. For example, clause 17 requires commissioners to declare an interest in a matter which is being discussed. However, both commissioners and the minister have the power to rule that this disclosure clause does not apply in certain circumstances. One can take this to comical extremes: Five of the seven commissioners may be outside because they had some sort of interest, and two may be inside trying to make a decision. The two inside would not have a quorum, but they would have some idea why the other five were outside. How fair is it on them? Alternatively, we could have the John Howard's brother scenario. John Howard declared an interest and was prepared to go outside, but people asked him to stay inside to participate in the discussions. The average person on the street would see a conflict, even though he tried to go outside and stay out of the discussions. The Opposition wants an assurance from the minister that all these issues have been thought through carefully and there will be no conflicts of interest. If the minister decides that the disclosure clause does not apply, he or she must table the reasons for that within 14 days. However, we can see no such requirement on the commission to do the same in its decision-making processes.

The Labor Party will move amendments to the membership of the commission, so it is broadened to include representatives of the plantation timber industry, a conservation-type member such as somebody from the Environmental Protection Authority, and a union representative. The Australian Workers Union is dismayed that under the Bill as it stands it is not entitled to have a representative on that commission. We will move an amendment to ensure their input, so that the voice of people who work on the forest floor can be included in these deliberations.

Mr Omodei: Do you also propose that a member should represent the furniture industry, and should that member not have any connection to the furniture industry?

Dr EDWARDS: I am surprised the Government has not opted for more umbrella-type representatives - as it has done on some other committees - who can receive input and give feedback from their members.

Mr Omodei: My view is that we should have people who are competent and who have business acumen. The member for Maylands should bear in mind that the Bill deals with commercial activities and commission members should have a reasonable knowledge of the industry, although not necessarily a direct connection.

Dr EDWARDS: That is fine. However, the minister should consider other government advisory bodies. There is a joke about the Town Planning Appeal Committee of the Minister for Planning. The minister purposefully picked people who know the area and who have retired from it. Around the traps, among the development and conservation sectors, they are called dads' army. Some of them retired a long time ago.

Mr Omodei: That is a bit cruel.

Dr EDWARDS: It is. They are called dads' army partly because until recently there have been no women on the committee. I appreciate that it is a difficult issue. In Perth and in Western Australia, in order to get people who have commercial interest and expertise that is up to date, we run the risk of getting people who are involved in the industry. We certainly do not want seven commissioners coming from that sector. We need a better balance. Why has the minister not included an accountant, or someone with a lot of business expertise, as a specific type of appointment? If the minister appoints seven people from the commercial sector he will leave himself unnecessarily open to claims of potential conflicts of interests.

The Labor Party also has some concerns about the commission's dividend payment. Clause 43 of the Bill allows the commission to choose to return a full or partial dividend of its profit to the consolidated fund or to return all profits into its operations. The commissioners will make a recommendation to the minister on whether a dividend is to be paid and, if so, the amount to be paid. The minister can accept that recommendation or direct that some other amount be paid. We can compare this with the Water Corporation Act which requires the Water Corporation to pay a final dividend, if possible, after taking into account tax equivalents and any interim dividend paid. It does not have the option to apply the profit to its own purposes. Clause 30 of the Bill outlines what should be contained in the statement of corporate intent, but it does not include a requirement to outline the proposed dividends to government. Perhaps the Government is trying to have it both ways. It is an issue that needs some attention. We look forward to the answers to this either in the second reading stage or when we get to consideration in detail stage. Labor will try to make amendments to bring the payment of dividends into line with the requirements of the Water Corporation Act and will also ask that the proposed dividends to government be set out in the statement of corporate intent.

I turn now to comments on the management plans. Although the Minister for the Environment has provided some reassurance about management plans, we remain concerned about the role of the Minister for Forest Products. Although I understand why the Government uses the arguments of the current Act and the current process, it is not a fair comparison because we will have a new minister with new specific responsibilities. We would like to see some sort of flow chart that sets out how all this will happen. As the Opposition's environment spokesperson I continue to be concerned with this circuitous argument that if after the Environmental Protection Authority has finalised its bulletin and the minister has dealt with the appeals and if the Minister for Forest Products still wants a change, it will go back to the EPA. That will set up that whole process again. I am not sure, when the Government is going so far to reassure the Opposition about this, and

to tell opposition members they are being paranoid about the motives of the Minister for Forest Products, why it is so insistent on having the minister in there. Does the minister not have enough confidence to believe that the Forest Products Commission, which has jointly prepared the plans, will have had its input heard? I will be interested to hear the minister's response.

Mr Omodei: Are you suggesting that we should not have a minister?

Dr EDWARDS: I am not suggesting that. We will not call it a veto because of the way the word is defined, but it still looks like unreasonable power for the Minister for Forest Products at the end of a process. If the minister exerts this power, and it is effectively a new proposal and the EPA must look at it again, it just starts off a circuitous course. If the EPA chose to look at it, there would be public consultation again as part of the Environmental Protection Act process; there would be appeals to the minister after that bulletin; and the Minister for the Environment would need to make a decision again. Where would the Minister for Forest Products go?

Mr Omodei: Obviously you would come to a compromise decision one way or the other.

Dr EDWARDS: All decisions made by ministers and Cabinet are to some extent political. I am sure that all forest management plans have had or will have an element of political decision making. My concern as the environment spokesperson is that the Minister for Forest Products will win out and that this system allows that to occur.

I will now make some comments about community service obligations. Clause 30(4) of the Bill allows for the commission to be compensated for community service obligations which affect its capacity to ensure that a profit is made in accordance with ecologically sustainable forest management. It is not clear to us exactly what community service obligations the commission will perform and to what extent it should be compensated for performing those obligations. We would like the minister to give us some practical examples, if possible, and to explain exactly what is meant by that.

I now refer to the timing of the statement of corporate intent, and again I refer to the corporate planning documents required under this new Bill. Under the corporatisation model, financial and planning documents play a key role in the responsibility and the accountability relationship which is created between the corporatised body and the Government. Along with the autonomy and the responsibility that the corporatised entities receive, these bodies are charged with providing timely and necessary information to the Parliament so that we know what is going on. Similar to the legislation corporatising the energy and water utilities, this legislation requires that statements of corporate intent are produced for the upcoming financial year. That is supposed to allow both Parliament and the public, first, to have the knowledge and, secondly, where possible, to comment on the possible undertakings of the new commission in the relevant financial year. The statement of corporate intent has a large planning document component. A key feature of that is that it should be made available preferably before the start of the financial year or, if not, at least early in or during that relevant financial year. In this amendment Bill and in the legislation of other corporatised entities, a number of clauses require that it be made available before the start of the financial year. That is all well and good and sounds very straight forward, but the problem is that the Government does not have a good track record on these entities; for example, the 1997-98 water statement of corporate intent was agreed to by the minister on 31 March 1997. It took nine months to reach the Parliament. Therefore, a document which is supposed to contain plans for that financial year was not available until seven months into the financial year. The energy utilities have not done much better. We want the minister to outline what mechanisms will be in place to ensure that statements of corporate intent and a strategic development plan are made available to the Parliament preferably before the beginning of a financial year or, if not, very soon into it.

I will now make some comments about worker and industry assistance. In her closing comments, the Minister for the Environment referred to Mr Mike Webb. Mr Webb is an Albany truck driver who by now is known to the Minister for Forest Products. According to Mr Webb, he has had his contract terminated directly as a result of the Regional Forest Agreement. Indeed, he was told by Bunnings that that was the reason it occurred. I have had a lot of contact with Mr Webb and I met him just before Christmas. He asked me to talk about his case and to bring it to the attention of the Government. It was distressing to talk to him just before Christmas and to realise that he has a truck which is capable of doing the job but which is currently impounded. He was worried about how his family would get through Christmas, given that he has a wife and two children, one of whom is working. At that time the child, who was in his late teens, was keeping the family going. Mr Webb quite rightly felt that that was a big responsibility to place on a member of his family. Mr Webb wanted to apply for business exit assistance. It was not until around Christmas time that he received an answer from the Government about the forms he should fill out and the procedures to go through. Since then he has given all his forms to his lawyer and has gathered together all his documents. He was not able to finalise the detail and lodge his application until 27 January. As of today, he is still waiting for a response. I understand that the assessor has looked at it and the Minister for the Environment said that there are some conflicting views. However, I urge the Government to go through this as fast as possible. At the moment Mr Webb is being charged 2 per cent per month on the money he owes on his truck and \$200 per month for the impounding of his truck. In the time that the truck has been impounded, the licence has expired because he could not afford pay it. When he gets the truck back, he will have to pay to relicence it. He has managed to get other truck driving work since just after Christmas. His argument to me, which is quite valid, is that he wants to work. He has the work, but he would prefer to be using his own asset - his truck - rather than have it impounded and pay compound interest on it.

Mr Omodei: I presume it has been impounded by the finance company.

Dr EDWARDS: Yes. I am also distressed at his treatment by his bank. He has considerable equity in his home and he has always demonstrated a strong commitment to get work. When he telephoned me on the occasions when he did not have

work, he had jobs lined up north of Albany to which he was prepared to travel. However, the bank has not been able to accommodate the loan he wanted. It was a fairly small loan in terms of the equity he has in his house. It is a pity that the banks cannot come to the party more. I understand from Mr Webb that the bank decision was not made in Albany. The people in the bank in Albany are very sympathetic, but the decision came from Melbourne. This human face demonstrates that it is important that the structural adjustment package be put together as quickly as possible and that people like Mr Webb - he and his wife were very worried about how they would buy their children Christmas presents - are not affected like that. I hope that over the next few months and in the near future that the Minister for Forest Products will provide us with good news about the fate of people like Mr Webb.

I will now ask some questions of the minister which relate to some of the contracts that exist at the moment. These are contracts between CALM and various timber producers for the sale of logged timber. Is the part in the Bill which deals with the system of royalties and which sets out the components of prices that must be taken into account a reasonable reflection of the contract or are new charges thrown in? These contracts list the price components; for example, the royalty, the administration charges, the harvesting charges and the in-forest charges. Does the minister anticipate that there will be any particular difference in quantum?

Mr Omodei: Are you referring to the quantities of timber?

Dr EDWARDS: No, I am referring to the price.

Mr Omodei: There is a range of them and they could change.

Dr EDWARDS: In general terms, will the components listed in the Bill equate reasonably well to the price components listed in contracts?

Mr Omodei: Probably.

Dr EDWARDS: What is the situation with the FIFWA timber promotion levy? Some of these contracts indicate that the prices of various items will include the FIFWA timber promotion levy. No reference is made to that in the Bill. What is it used for? Will that be a component of the new contracts?

Mr Omodei: I will check that.

Dr EDWARDS: A clause in the contract with Bunnings Forest Products Pty Ltd reads -

In drawing up his annual plans for the harvesting and delivery of Log Timber the Executive Director will use reasonable endeavours to minimise the delivery component of the Harvesting Charge.

A number of references are also made to minimising some charges. Is there any conflict between the existing contracts, the Bill and the contracts that will flow from it?

Will any conflict arise between the Department of Conservation and Land Management and these contracts in which some prices are minimised, given that the new commission will have a different focus? Some of the contracts refer to "royalty deferment". Procedures are laid down about deferring royalties and collecting them after a period if they have been deferred. Is that deferment process used very often? Presumably it was used in the Whittakers situation. Is it envisaged that something like that can continue in a body that will be effectively corporatised?

Some of the contracts contain a statement under the section about value adding. It reads -

The Executive Director shall offer positive incentive for the Buyer to improve the capacity of the Business to produce Value-Added Timber Products.

Value adding is something we all support and something towards which we want to see the industry move. I am unclear about what "positive incentive" means in respect of value adding when it is in a contract. To what extent will the new commission look at that, given that it will be a corporatised entity, while value adding is an important component of it?

As I said at the outset, the Labor Opposition is pleased to see both the Conservation and Land Management Amendment Bill and this Bill in the House because these changes are a step away from the present conflict of interest within CALM. Nevertheless, the Opposition has some concerns about the detail of the Bill. Our major concern is about any conflict of interest the commissioners may face.

Other speakers will draw out some of our concerns on this Bill. We look forward to some of these issues being clarified and debated further in the consideration in detail stage.

MR THOMAS (Cockburn) [3.33 pm]: I am pleased to be following my colleague, the member for Maylands, in this debate and reiterate that the Opposition supports this legislation. The Opposition believes that the production forestry industry is worthy and should be encouraged. I, particularly, am pleased this legislation is being established and a body will be dedicated to the prosperity and health of the production forestry industry because it is a worthy industry that should be encouraged, notwithstanding that in recent times it has probably not been the most popular industry in the community. I believe that, in some cases at least, that attitude is ill founded and people should consider the basis on which the production forestry industry operates.

Unlike many industries, the production forestry industry is capable of being indefinitely sustainable; that is, it is based on a renewable resource. If it is managed properly there is no reason it should not continue to operate in perpetuity.

The notion of sustained yield is important. In fact, it is the key concept to production forestry. In the debate on the earlier Bill, on which I spoke last night, I referred to Mr Lane-Poole, the first Conservator of Forests under the Forests Act, who introduced the concept of sustained yield into Western Australia. Since then there has been a great deal of argument about whether his successor in the Forests Department of Western Australia, practised sustained yield. People will probably continue to have that argument for some time. It seems the department did not practise sustained yield. Forests were over cut, the legacy of which is with us now and the production forestry industry is suffering as a result.

Some of the problems that beset that industry now are due to the fact that the forests were over cut in the past and the Forest Department did not practise the concept of sustained yield. However, it is a very important concept that should be practised and ingrained in the procedures of the industry in Western Australia.

Sustained yield is a simple concept. If, for example, a tree is capable of growing to maturity in 100 years, and 1 per cent of an area of forest is cut down each year, by the time cutting has been completed in the forest, the original trees will have regrown. At that rate cutting can continue in perpetuity. I understand the concept evolved in Switzerland. It is a most important and desirable concept, unlike the mining industry, for example, which is the major industry in the State, and which, by definition, must come to an end because the resources will run out. The production forestry industry can continue.

However, other aspects of the operations of production forestry also have environmental implications, apart from the fact that it must be done on a sustained yield basis if it is to be a sustainable industry. One is the way in which the harvest is conducted. Over the past 35 years or so the practice in the karri forests has been clear-felling because it was felt that, selective logging that had been practised in the karri forests prior to that - although there had been clear-felling earlier - did not lead to proper regeneration. It was argued that by practising clear-felling it would be possible to get a better level of regeneration of the species in the forest. Because Karri is not the only species that grows in that forest. To avoid wasting a number of the species which were cut, but which were not preferred as timber, woodchipping was introduced.

Apart from whether harvesting was done on a sustained yield basis, there has also been debate about the method. Much of the environmental argument evolved from the method of harvesting.

One of the most tiresome aspects of the debate between production forestry and those who seek to have forests conserved for nature conservation, is the extent to which people repeatedly make allegations against the other side which, for the most part, are propositions of fact and should be able to be resolved.

I hope the body being established under this Bill, which will have responsibility for the production forestry industry, will herald a new era in which proper relations will prevail between those who value forests for nature conservation and those who value forests for production forestry. They are not incompatible because there is enough forest for all purposes to be served. One of the things that needs to occur is for some sort of understanding to be reached that there is to be a production forestry industry, what forests the industry has access to and on what basis they will be managed. If the areas are delineated, and the production forestry industry has some security of tenure over the areas to which it will have access, that aspect of the argument should be able to be settled once and for all. Some people believe there should be no production forestry at all; that is, all native forest should be reserved for the purpose of nature conservation and production forestry should not be practised. That is not a view to which I adhere and nor does this side of the House.

Mr Omodei: That surprises me. You are not being honest now, are you?

Mr THOMAS: Yes.

Mr Omodei: People on your side of the House want to stop logging in native forest.

Mr THOMAS: There may well be people on this side of the House who want to stop logging in native forest -

Mr Omodei: I would say the majority, otherwise they would not adopt the attitudes and policies that they have.

Mr THOMAS: The policies of the party are that production forestry should continue.

Mr Bradshaw: That is rubbish.

Mr THOMAS: I am glad the member for Murray-Wellington knows more about the policies of the Labor Party than I do! If he seriously believes that is the case, I challenge him to produce the documentation. I was at the Labor Party's state conference last year and he was not, and I am aware of the policies that were carried and he is not. There is a very strong nature conservation lobby in the Labor Party, as there should be, and has been for a long time. However, there is also recognition that production forestry is an important industry and that it should continue. For that reason, the Labor Party is supporting this legislation. As was pointed out by my colleague the member for Rockingham yesterday, the Government was dragged kicking and screaming towards introducing this legislation, not the Labor Party, and the Government has created a situation in which we are debating this Bill. Both sides of the Parliament are supporting the legislation, and I thought we would be able to do so in a spirit of cooperation; certainly that is the desire of the Opposition, and certainly it is my desire in this matter.

Mr Omodei: That is how it was done when we were in opposition but you cannot say there is bipartisan support for forest management now. The politics are being confused by your leader and you know it.

Mr THOMAS: I do not want to rake over old coals, but when the coalition party was in opposition some of the areas sought

to be reserved for conservation were able to be reserved only by the Labor Party inducing the National Party in the Legislative Council, against the will of the Liberal Party, to support legislation revoking state forests and creating national parks. It was done against the votes of the Liberal Party. Fortunately, the National Party was more statesmanlike in these matters and those Bills got through. The minister was probably one of the people involved in that, and I suggest that the attitude of the people who identified with the production forestry industry - the red-necked and very partisan attitude - in the late 1970s and early 1980s, created the partisan attitude that exists now on the part of the conservation movement. I deplore that attitude as much as I deplore the partisan attitude adopted by production forestry interests in the late 1970s and early 1980s.

The minister may recall, although he was not a member at that time, that when the conservation for reserves committee report was published in 1974, it was characterised by Bunnings - it was not then Wesfarmers, but was largely the Bunning family - as a multimillion dollar land grab. I recall going to hearings of a Senate select committee when Bob Bunning said the national parks movement had gone too far. At that time there was an attempt to increase the amount of karri conserved as national park from 4 per cent to about 12 per cent. We are now talking about 50 to 60 per cent. There was insulting denigration of people who sought to conserve native forests by the then Premier, the father of the current Premier, and reflections were cast on their character and motives. Ultimately, the worm has turned, and now those people have majority support in the community. Things are happening now that were certainly not envisaged some years ago; for example, Australian Football League coaches and prominent members of the Liberal Party have come out in support of policies for the conservation and protection of old-growth native forests. Twenty years ago no-one would have envisaged this situation.

Mr Bradshaw: They are not prominent members of the Liberal Party. The media keeps saying she is the matriarch of the Liberal Party; she is about as much the matriarch as I am.

Mr THOMAS: The member for Murray-Wellington is certainly not a matriarch! If for no other reason than sheer political opportunism, the Government has now been dragged kicking and screaming to a position that is contrary to its natural inclinations. That is fairly obvious. I do not want to say who is more virtuous than the other, but we have a responsibility to create a sustainable base for an industry and some healing for people with different attitudes towards forests. I do not believe those attitudes are incompatible. People who want to see forests conserved because they appreciate the inherent beauty and value of the trees and wildlife living in those forests can also value the inherent beauty, in a different sense, of an industry that is able to be run on a sustained yield basis. It is an industry that is very sound from a greenhouse point of view; that is, the materials it produces do not consume vast amounts of fossil fuels or emit carbon dioxide in their production. It is an inherently worthy material and an industry that is worthy of encouragement. Not all the materials can be used for the production of fine furniture or timber, and it is desirable that the waste materials be used in some form or another, be it for paper, chipboard or whatever. There is a conservation ethic, in the other sense of that word, and value in that industry which can be appreciated by people who look fondly upon forests for the purpose of nature conservation.

We are setting up a new body that has responsibility for the production forestry industry, and it has the very important role, apart from the direct management of that industry, of promoting it to the balance of the community. It is the community's forest and the community will ultimately determine the resource base of the production forestry industry.

As a member of the Opposition, I am pleased to join my colleague the member for Maylands in supporting this legislation. As she indicated, we have concerns about the way in which the Government may operate this body as a trading concern. It is following a model well established in the Water Corporation, AlintaGas and Western Power. On the face of it, that model has mechanisms of accountability through the requirement for strategic plans and the like which are supposed to be tabled in Parliament. As my colleague pointed out, those mechanisms of accountability have been honoured more in the breach than in the observance. I do not know of a single occasion on which the Minister for Energy has been able to produce, within the times prescribed in the Electricity Corporation and Gas Corporation legislation, the documents that are required to be tabled in the Parliament. These are important accountability measures, and it is essential that the time limits that are prescribed by that legislation are observed. It is easy to imagine what would be the attitude of members opposite if the Labor Party were in government and accountability mechanisms such as the production of strategic plans and the like were not tabled in the Parliament as required: They would jump up and down and suggest that the Government was not observing the proper standards of accountability; and so they should, because these measures were put in the legislation for a very good purpose.

In the case of the Electricity Corporation, Gas Corporation and Water Corporation - although I am not as familiar with the Water Corporation as I am with the other two corporations - public assets are involved and the public is entitled to know how those assets are being managed. In the case of this legislation, public assets are involved too, but those assets are land rather than improvements to land such as buildings and machinery. The additional interest is that apart from the monetary value of those assets, they are assets to which people ascribe other values. People want the forests to be conserved, and they want to know how they are being managed. The days when foresters were able to manage the forests and regard that as a matter in which the public was not entitled to be interested are long gone. Prior to the advent of the Labor Government in 1983, the working plan of the forests department was a secret and confidential document. I do not think even the minister was allowed to see it - I might be wrong there - but certainly members of Parliament and members of the public were not allowed to see it. However, in 1977, Mr Beggs, to his credit, released a general working plan, although the other working plans were not available, and subsequent to the election of the Labor Government in 1983, those plans became public documents. The point is that the increasing number of members of the public who take an interest in these matters will want to put the ruler over them and satisfy themselves that the forests are being run on a sustainable basis. Therefore, it is most important that the accountability mechanisms that are prescribed in the legislation are followed, because if they are not and

if the Government takes the same lax attitude to the observance of the standards of propriety that it takes to the Electricity Corporation and the Gas Corporation, suspicion will be created and the cooperation that I hope this legislation will facilitate between the people who identify with production forestry and the people who identify with nature conservation will not be facilitated.

As was indicated last night, the Opposition supports this legislation. I wish the body that will be established by this legislation well. It will play an important role in fostering the existence and prosperity of the production forest industry.

DR TURNBULL (Collie) [4.53 pm]: This is an important day in this Parliament, because we are debating the Forest Products Bill and the Conservation and Land Management Amendment Bill. It is well known to members of this House that I as the member for Collie, along with the National Party which I represent in this House, have had the strong opinion for a long time that there should be a division between the conservation and production activities of the Department of Conservation and Land Management. We supported that position during the debate on the Regional Forest Agreement last year, and we are keen to see it go ahead. When we say that it is extremely important to have a clear division between the conservation and production arms of CALM, we are not talking about a clear division in the field, because many of the activities that take place in the forest and woodlands require a close working relationship between the people who work in those two arms.

The most important of these activities is firefighting. Many members in this House may not realise the extent of the firefighting situation in Western Australia. My electorate stretches from Boddington, to Boyup Brook, to Balingup, to Donnybrook and to the borders of the City of Bunbury, and nearly half of that total area of the south west is publicly-owned forest under the management of CALM. That is a very large acreage. The majority of the fires in our forests are started by people; very few are started by lightning. Whether that is by a wilful act or by accident does not really matter. The end result is that we have these fires. The period of fire risk stretches from early spring into early winter. In managing a fire, it is essential that people respond as quickly as possible. It is not possible to maintain a situation where enough people are available to respond quickly and be put to work on the ground if the people who work in production are not strongly tied in with the people who work in conservation and land management. Under this new management regime, the conservation and land management section will be responsible for prescribed burns; and if it will be responsible for prescribed burns, it will also be responsible for fire management. The majority of the people who are available to fight fires work for CALM in plantations or work for contractors who are harvesting in the forest. The fact that the people who are available to fight fires are located in two different organisations makes it difficult to maintain the cooperation that is required between those two sets of people. That cooperation is developed when they have their morning tea, lunch and afternoon tea together and when they share facilities such as conference rooms, toilets and rest rooms. In that situation they pass by each other throughout the day. That is the only way we can foster very close contact. It is similar to the situation with the Labor Party and the coalition Government. We maintain very close cooperation because we see each other in the corridors. I can chat with Judy Edwards or Christine Sharp whenever I wish to.

Several members interjected.

Dr TURNBULL: I like to chat to many members opposite.

Debate adjourned, pursuant to standing orders.

TERM NETWORK CONTRACT 5

Motion

MS MacTIERNAN (Armadale) [4.00 pm]: I move -

That this House calls upon the Government to suspend the granting of Term Network Contract 5 (estimated to be worth in excess of \$150 million) until the serious concerns and allegations made by Western Australian businesses and Aboriginal corporations as to the conduct of the preferred proponent and Main Roads contract officers have been fully investigated.

Today I will highlight two issues that have emerged from the latest frenzy of privatisation in Main Roads WA. First, Western Australian companies and small businesses are once again missing out to large national and multinational companies. Second, the conduct of the successful tenderer in Term Network Contract 5 has made a mockery of the process. The claims made in the tender documents in an attempt to gain advantage in the assessment process and to ramp up scores are not being complied with at the contract level, and this action is being supported by Main Roads WA.

This is a two-pronged complaint. First, once again more companies and small businesses are missing out as a result of privatisation. We are increasingly witnessing an understanding in the business community that privatisation advantages big business, but it is very bad news for small businesses. Second, the Term Network Contract 5 scenario has made a mockery of the whole process.

I will detail some of the background to this situation for members who are perhaps not familiar with it. The Government, through Main Roads WA, decided that it would divide the State into nine regions. Within each region it would invite tenders for the monopoly on all maintenance and minor construction work. I understand some major construction might also be involved. These are huge contracts, each is worth at least \$100m, but most seem to be worth between \$150m and \$300m. Smaller local businesses cannot tender directly for contracts of that size. The only way they can get involved in the act is as subcontractors.

The rules provide that any consortium can gain a maximum of two contracts. It will come as no surprise that the first two contract areas went to one outfit - CSR Emoleum Road Services. The contract we are discussing today - contract 5 - covers an area from Albany to Kelmscott. I am pleased to see that the member for Wagin has wandered in because this contract covers his electorate as well as mine, but the impact on the rural towns will be greater.

After the expressions of interest were completed, four possible tenderers were selected and asked to submit a proposal. Between the announcement of the four contracts and the finalisation of the tenders, a great political furore erupted focusing on Narrogin. Both the Deputy Premier and the member for Wagin were invited by the local Chamber of Commerce to a public meeting in Narrogin. The complaints from a raft of businesses and the local Aboriginal corporation were that the regional buying compact would not work with contracts of this size and that the majority of the four contractors selected were not interested in listening to the proposals being put forward by local businesses. There was absolutely no chance that these companies would take on local businesses. The locals made the point that one group - the RoadCare Australia consortium - was behaving a little differently.

It was no surprise that RoadCare Australia was the successful tenderer. There was a collective sigh of relief among many local businesses and the Southern Aboriginal Corporation because RoadCare Australia was the only company that had shown any interest in getting them on board. Indeed, it had very diligently engaged these subcontractors and asked them to be part of the tender process. The submissions provided by the subcontractors were incorporated in annexures 19 and 20 of the tender document that RoadCare Australia submitted.

The relief experienced by these businesses, the Aboriginal corporations and the shires was very short-lived. When they attempted to formalise the arrangements after the contract had been awarded, suddenly RoadCare Australia was far less interested than it had been before the tender had been won. The subsequent offer was far less in scope and price than the original offer. Indeed, several people said it varied between a joke and an insult. RoadCare Australia's response was that it did not have a formal contract, so it had no obligation to use these groups. However, that is tantamount to obtaining the contract under false pretences. It is a bit technical but we need to look at the detail of the assessment process. I will read from a document released by Main Roads Western Australia describing its 10-year contracting strategy. When talking about its procurement model, Main Roads stated that the request for proposal would include the specifics of the contracts and invite the short-listed applicants to submit a detailed proposal including their work plan, staffing, costs and proposed risk allocations. Main Roads further said that the most significant criteria would be relevant experience, past contract experience, management systems and approaches to partnering and innovation. The criteria for the RFP was to be methodology to achieve performance measures, personnel, regional development, risk allocation and cost. Therefore, personnel and regional development were two of the five selection criteria in assessing the final tender.

We can see from that that personnel and regional development are two of the five selection criteria used in assessing the final tender. Members can see that it is possible that the content offered by these subcontractors was important to RoadCare Australia in the assessment process. I will detail how that works in relation to some of these companies. RoadCare had been an unsuccessful tenderer in the first two rounds - the contracts which went to CSR Emoleum Road Services. One reason RoadCare had been unsuccessful was it had not scored too well on the personnel side. Members must understand that RoadCare Australia is a consortium made up of Pioneer International and a New Zealand outfit called Fulton Hogan. RoadCare Australia had not rated too highly in terms of the personnel it had to deliver this raft of Main Roads work in this area over 10 years. Therefore, RoadCare was keen to get on board as a subcontractor and a party to its proposal a company which had that personnel. RoadCare specifically went to an outfit which had been involved with Main Roads for a long time. That was a company called Quality and Technical Services Pty Ltd. QTS is an experienced Western Australian consultant providing quality, environment, safety, contract and project management services. One of its major clients is Main Roads Western Australia. Others have included the Water Corporation, the Department of Conservation and Land Management and Broken Hill Proprietary Company Limited. This outfit was so familiar with Main Roads work and had been doing that work for such a prolonged time that it was engaged by Main Roads to draw up the specifications for the previous round of contracts - the three-year term maintenance contracts. QTS had been engaged by Main Roads to draw up the tender assessments and to assess the tenderers. Obviously QTS is an outfit which was highly regarded by Main Roads.

RoadCare knew from its debriefings that it had done very poorly in the personnel and asset management aspect of the assessment process. Therefore, it wanted to go to this company, QTS, which had a really good reputation and get it on board. RoadCare approached QTS and asked it whether it would be prepared to come on board with RoadCare and do a raft of work for RoadCare including training, quality management, traffic management, auditing and environmental consultancy. RoadCare asked QTS if it could include QTS' company profile in its tender submission.

After RoadCare received the Term Network Contract 5, QTS went to it wanting to formalise the arrangement. RoadCare replied by fax that it might offer QTS some non-exclusive minor work after the contract was signed. That was a huge shock to QTS as it had put itself on the line and signed up with this operator rather than any other. QTS said RoadCare was hardly being fair because its extremely specialist skills and reputation with Main Roads were two of the things which got RoadCare the contract. However, RoadCare's response was that it did not think QTS had very much involvement in the contract and that it had barely mentioned QTS in the contract. QTS then made an application under the Freedom of Information Act for copies of all pages of the tender submitted by RoadCare which made reference either to the senior personnel of QTS or to the company itself. RoadCare then offered to show QTS the RoadCare tender if QTS dropped its FOI application. That had a certain amount of disingenuousness in it and QTS refused. RoadCare subsequently objected to the release of the documents as its solicitors considered them commercially confidential. RoadCare objected to QTS seeing what

reference RoadCare had made to QTS in its tender specifications. Since that time QTS has been informed by Main Roads Western Australia that eight pages plus the company profile referred to QTS. These documents include descriptions of senior personnel at QTS and seven pages of detailed costings involving the role QTS was supposed to perform in the RoadCare tender.

It is evident that RoadCare Australia was aware that it needed to ramp up its application and it got this company on board. When one looks at the number of times QTS featured in the tender submission and the inclusion of detailed company profiles and résumés of the QTS senior staff in the submission, it is obvious that RoadCare was clearly of the view that that information was relevant in improving its scoring in the personnel and asset management sides of the tender assessment. RoadCare has now basically decided to only give a very minor part of the work to QTS and is talking about keeping much of that work in-house for its own people. That example demonstrates what we are talking about.

Another company which is very angry is called Quarry Park Pty Ltd. I will read three paragraphs of the letter the company sent to the Premier which neatly summarised the problem. It states -

Dear Premier,

I know you are a busy man with all your portfolios. However as a devoted supporter of the Liberal Party and a supporter of previous Liberal Premiers including your father Sir Charles Court I feel you are my last resort for my company's Quarry Park Pty Ltd desperate and urgent appeal for help.

My company Quarry Park Pty Ltd feels there could be some collusion between Main Roads Western Australia and RoadCare Joint Venture (this will be substantiated further into my letter and by the supporting documentation).

I stand to be ruined by the RoadCare Joint Venture Pioneer Road Surfaces, Fulton Hogan and their support Consultant Opus International who have my company's Quarry Park Pty Ltd Intellectual Property without our company's consent.

I believe that RoadCare Joint Venture has used Quarry Park Pty Ltd's Intellectual Property in another bid without Quarry Park being part of this bid . . .

Mr Wiese: Who wrote that letter?

Ms MacTIERNAN: That was written by Warren Slater who is the managing director of Quarry Park.

Mr Wiese: Who is behind RoadCare?

Ms MacTIERNAN: It is a consortium of Pioneer Road Surfaces and an outfit called Fulton Hogan. Fulton Hogan is a company backed by Opus International, a Malaysian-backed New Zealand company which basically bought out the New Zealand public works department during its privatisation. It seems to be a firm involved in a range of different privatisations. Fulton Hogan's involvement has led to some of the problems that we are seeing today.

Mr Slater of Quarry Park goes on to talk about what happened with his company. Quarry Park has been in business since 1967, is a major supplier of base coursing to the Main Roads department and is the only quality assured base course supplier in Western Australia. It pioneered and developed a road building product known as ferricrete. It intended combining with another company for these contracts but was enticed by people from RoadCare who said, "No, we really want your technology and your company. You will be a great asset to us in our attempts to get your contract." On the basis of the commitment and interest demonstrated by RoadCare joint venture, Quarry Park agreed to tender solely with the RoadCare joint venture and not to tender to any other companies building on the term maintenance contract. It therefore made a commitment to tender only with this outfit.

Mr Slater believes that Quarry Park being part of the successful tender has enhanced RoadCare's bid and it again points out that it was featured in both annexures 19 and 20 to the contract. It is also fighting to get access through the Freedom of Information Act to any reference to its operation in the tender document but, again, RoadCare is objecting to this company's finding out the references made to it in its tender submission. Like the other company, it sought to have the arrangements that existed beforehand formalised only to be told, "No, this is only indicative. We do not have any obligation to you." Quarry Park understands that RoadCare is bringing its own crushing plants to Western Australia and completely sidestepping Quarry Park or any local base course company.

Mr Cowan: Where is Quarry Park based?

Ms MacTIERNAN: It is based in Perth out in the Swan area. As I said, Quarry Park is likewise having difficulty getting access to information. RoadCare has apparently taken over the RoadCare joint venture, whose intention it is to carry out all the works itself with its own staff from New Zealand.

Both of those companies complained that, when approached, the officers of the Main Roads department do not seem at all concerned at the change and the non-commitment to RoadCare. Not only are those companies affected; a few smaller companies such as L.R. Archibald and Co in Narrogin are also affected. Members of that company drove up from Narrogin to Perth to see me and to put much the same case after RoadCare got the contract. I understand that that company may have received a small quantity of work but its concerns mirrored the concerns expressed by Quarry Park. That company's involvement would have enhanced the regional development assessment side of the tender as a special weighting is given to companies that can show they will be using local contractors. Therefore the involvement of those companies was part of that project.

Probably one of the most disgraceful things about this matter is the way in which the Aboriginal corporations in the area have been treated. A joint venture of Aboriginal groups was put together by the Southern Aboriginal Corporation which is based in Albany and the Kaata-Koorliny Enterprise and Employment Development Aboriginal Corporation which is based in Narrogin. They put together a proposal which was embraced by the Aboriginal community with an enormous amount of excitement and optimism because the RoadCare personnel had bent over backwards to encourage them to be involved in this project. They no doubt saw that it would be a major benefit to them and would earn them much needed brownie points. We do not have any difficulty with companies doing that as long as they honour their obligations. Those Aboriginal groups submitted a proposal which, as far as they knew, was accepted. They too feature in annexures 19 and 20 of the tender submission. The Aboriginal joint venture was to provide the staff to clean and maintain the parking bays, to remove road kill and to install and maintain road signs and guide posts.

The member for Wagin may clarify this but there must be many lousy drivers between Albany and Kelmscott because something like 28 000 guide posts need to be replaced each year. Because it is such a huge area, obviously there is a significant amount of work to be done in cleaning the road and performing minor construction of the parking bays. That proposal was put forward and duly, and quite properly, got RoadCare lots of credit. Again, exactly the same thing happened. After the contract was granted they found suddenly that there was far less interest on the part of RoadCare in talking to them. They asked for the proposal to be formalised so that they could apply for upfront funding to fit out the operation and get it working.

Mr Wiese: On what basis are you able to say that their participation in RoadCare was part of a whole raft of agreements?

Ms MacTIERNAN: It is a reasonable inference that I am making. The inference is drawn from the fact that the company very actively sought out their engagement.

Mr Wiese: I am very much aware of that.

Ms MacTIERNAN: The company saw that their involvement was relevant and incorporated them into the tender documents. The range and scope of works that RoadCare Australia would be doing was included in annexures 19 and 20 of the contract. We have been told time and time again that a weighting will create a benefit for those companies which put in place a raft of matters; not only when they set up offices and obtain personnel but a raft of other matters.

Mr Wiese: Do you know what percentage of weighting it is?

Ms MacTIERNAN: It does not work strictly as a percentage, as I understand it, because there are two separate assessment processes - the financial process and a separate regional scoring process. Is the member to tell me that it is very low, because I would like him to tell me it is very low? Then I can tell all the people in his electorate that it is very low.

Mr Wiese: It is appallingly low.

Ms MacTIERNAN: We are talking about a number of companies which have all contributed in different ways. The relevance of RoadCare's involvement in the whole selection process has been acknowledged by the company soliciting its involvement and the company putting in detailed submissions about its involvement in the tender process.

RoadCare Australia came up with some interesting excuses when it decided to backtrack on the Aboriginal commitment. At one stage company officers said that they thought the work would be too dangerous for Aboriginal people, which is an interesting concept. Obviously they had taken the view that a black life is worth more than a white life. That would certainly be a turnabout for the books here. It was an idea that had very little credibility with the Aboriginal people. It was then decided that the job was too big for the Aboriginal joint venture to handle and that they could have a reduced area at lower prices than had previously been discussed. That is another quite clear and disgraceful example of how Western Australian businesses and corporations have been used in this process.

I understand that there may be more but we do not have access to all the documents. We would certainly love to have them if the minister was wanting to defend himself and was prepared to table all the tender documents. We would be really keen to see them. We understand that the company's submission provides for significant offices to be established in Albany and Narrogin. We now hear that the size of those offices has been considerably scaled down and that the head office will be in Perth.

Mr Wiese: What size of offices do you understand were going to be established in Albany and Narrogin?

Ms MacTIERNAN: I do not know. If the minister would like to table all the documents today so that we can see what the basis was on which this mob got the contract, so that we can compare -

Mr Wiese: In view of your allegation, I am trying to find out if you know what was originally proposed and what will be there.

Ms MacTIERNAN: I said that I do not know the details.

Mr Wiese: So it is all conjecture.

Ms MacTIERNAN: This bit is conjecture. If the minister is prepared to table the documents to put it beyond doubt, that would be very excellent and fair. All of the people could know what is going on. I have heard that the Town of Narrogin was going to sell the company its works depot. It was not interested in that but, interestingly, it did express some interest in leasing the mayoral parlour, which probably shows the amount of commitment it would have to the area. I will not name the officers involved because I do not have independent verification of it.

Mr Wiese: What you are saying is absolute conjecture. On the basis of what I know, the Narrogin Town Council and the Shire of Narrogin have got together in a joint working arrangement with a private company that they have set up. There is no Town of Narrogin depot. That is why I am saying that what you are saying has no factual basis at all.

Ms MacTIERNAN: Does the member think that the letters I have read out and the examples I have given are not factual?

Mr Wiese: No, I am saying that you made a statement relating to the Town of Narrogin which I believe is totally incorrect.

Ms MacTIERNAN: As I said, I am not basing my case on that. I said that I have heard rumours. My substantial case is based on the detailed representations I have received, supported by documentation made by Quality and Technical Services Pty Ltd and by Quarry Park Pty Ltd, and those that have previously been made by R.L. Archibald and Co Pty Ltd, Kaata-Koorliny Enterprise and Employment Development Aboriginal Corporation and the Southern Aboriginal Corporation, which are all documented and quite consistent and logically argued. Concerns have been raised by each of these parties about the behaviour of the Main Roads officers. The general view is that the Main Roads officers appear to be in collusion with the contractor. They have quoted examples of Main Roads officers on a number of occasions accepting hospitality from the tenderer. At one point in December, officers involved in the selection and administration were wine and dined by RoadCare Australia in Karratha. There were allegations of a similar incident happening in January or February in Narrogin. One of the officers supposedly attended the Hopman Cup courtesy of the corporate box of RoadCare WA.

I have been given names. I will not name them here because I do not have independent evidence. If these incidents have occurred, they are very worrying. This is part of the problem with what is happening with contracting out in Western Australia. We have gone down this privatisation road - we can argue about the wisdom economically and socially of the process - but at the very least we must adopt probity standards to meet the challenges of this new environment. Quite frankly, this has not been done. The fact that people can see these Main Roads officers feeding off these various contractors is not something that inspires confidence among those who might be subcontracting to them or competing for work that the process will be carried out in a fair and reasonable way. We must investigate these complaints. I will later give the dates and the names to the Deputy Premier, who I understand has taken up this issue. They are serious allegations, although I do not think that we are talking about large sums of money. There is a clear apprehension of bias by people around them who see what is going on. We do not know what other benefits these officers may have obtained by their association with the RoadCare joint venturers or indeed any other joint venturers.

Mr Wiese: They are serious allegations. If you have any evidence like that you should go straight to the Anti-Corruption Commission, and you know it.

Ms MacTIERNAN: I have said that I will give the details of the names of the people to the Deputy Premier. I am not surprised that this would happen. I do not know whether it is at the level at which one could describe it as official corruption. What it shows is a lack of education about probity standards and the need to be seen to be absolutely scrupulous in this regard. A lot of public servants would probably think that there is nothing wrong because in the private sector people have free meals all the time; a public servant might be offered free meals and a ticket for the corporate box and go along with it. I do not think that they should. I am not saying that the officers who may have done this - and I suspect that they have - are corrupt but I do think that they are in breach of public sector ethical standards. It would be a massive overkill to go to the Anti-Corruption Commission. However, I will refer the names to the Deputy Premier because we seriously want this investigated. I am trying to get the ministers to look at these matters closely and to put a moratorium on signing the contract until these matters have been properly investigated. It is no good going to Main Roads staff. These matters must be investigated by someone outside. I am not talking about whether RoadCare gave these people drinks and food, but they must look critically and independently at the way in which the involvement of these companies was a significant factor in RoadCare being granted this contract. If it is not, what was the whole point of incorporating these people into the proposal? Indeed, this is a fundamental flaw in the way the Government is handling this contracting process.

If those subcontractors are not known, particularly if they are the ones performing the critical services that have been offered by Quality and Technical Services Pty Ltd, which cover quality control and asset management, how on earth do the ministers operate their assessment criteria? If they do not know what outfits will be doing the work on the ground and they know only the name of the superannuation company that will take the profits and repatriate them to Malaysia, they will not be in a position to make any decent assessment of these contracts. RoadCare knew it would come up a dud in the first two contracts because it did not have the personnel; it did not have people with Main Roads experience. It went into the marketplace and enticed these companies. It has an enormously good reputation as both ministers know. They were both at the Narrogin Chamber of Commerce meeting. They heard the statements from the businesses that this is the only company doing the right thing. Unfortunately, after that company got the job, it appears that the Malaysian-New Zealand joint venturer got the upper hand in the contract and there was a complete change of management personnel. Management was taken over by Fulton Hogan Pty Ltd, and it made it quite clear that it was not interested in these companies, that it would run its own show and that it would possibly be bringing over its own equipment and personnel. As I understand it, a lot of senior management positions have been filled with people from New Zealand. I am not anti-New Zealand; some of my best friends are Kiwis. It is quite improper and makes an absolute mockery of this tendering process to allow these people to be incorporated into the tender submissions, scored accordingly and then unceremoniously dumped because the company was never serious about it and would do the jobs itself.

I ask the Government to hold off on executing this contract. I understand that it has not been signed yet. It is in the interests of the ministers. I do not know how the ministers can try to sell these absurd privatisation policies to the people in their electorates. This is just a microcosm of what is happening across Western Australia. The Government dismantled the

Building Management Authority and exactly the same thing happened. A couple of hundred little companies which employed lots of apprentices and which provided services by way of subcontract to the BMA were given the flick. The large companies - Sirco Pty Ltd, Transfield Pty Ltd and also one of those Buckridge Pty Ltd fronts - got all the work that was previously done by the BMA and those companies did not get a look in. That is the way this Government is taking it.

Mr Board: That is totally false. Over 80 per cent of those contracts are subcontracted.

Ms MacTIERNAN: That is not what the firms are telling us.

Mr Board: If you ask the current minister, he will show you the figures.

Ms MacTIERNAN: I would be interested to see them, because that is not what we have heard. Does the minister think the same thing is happening with the term maintenance contracts?

Mr Board: I don't know about the term maintenance contracts.

Ms MacTIERNAN: The Government can continue on its way, but we are keen to stop this because we do not want to come into government and find ourselves administering these absolute nightmare contracts which will be the financial ruin of the State. However, we are pleading with the Government to exercise a bit of enlightened self-interest to realise that it is on the nose in the bush because of these policies and to do something about them and, in particular, to look at the equity of this case in relation to those companies which I have named today.

MR BROWN (Bassendean) [4.45 pm]: I support the motion moved by my colleague the member for Armadale. I do so because this is only one of a number of concerns that have been raised in relation to government contracting. It would augur well for the Government to investigate it seriously to show up some of the flaws that are occurring with government contracting arrangements, particularly with the arrangements around the regional buying compact. I will highlight a few of the problems with the current contracting arrangements and with the regional buying compact to indicate the extent of the problem. I will not cover every issue. I will start with a question that was answered in this House yesterday. I cannot read it because it is in the uncorrected *Hansard*, but I direct the attention of members to page 147 of the uncorrected copy of *Hansard*. Yesterday there was an answer to a question I asked of the Parliamentary Secretary to the Minister for Tourism. I can read the question because it was on the Notice Paper. The question was in five parts and states -

- (1) Did the Rottnest Island Authority/State Government call for tenders for the provision of printing services to the Rottnest Island Authority in February/March 1999?
- (2) Were tenders to be submitted by the closing date of Thursday, 11 March 1999?
- (3) What company/individual was awarded the contract?
- (4) When was the contract awarded?
- (5) What criteria was used in the awarding of the contract?

I cannot read the answer, but I will refer to it. The answer to the first two questions was yes; that is, that a contract was called for and it stated that tenders had to be submitted by 11 March 1999. My question then asked who received the contract. The answer does not say anything. The answer in the uncorrected *Hansard*, which I cannot quote directly, states "nil" - whatever that means. I do not know what it means, but I am told that it means that the Government advertised a contract and that a number of private companies spent time, energy and money putting in tenders for that contract and at the end of the day, nobody got it. The contract was not let, but it is not as though the people who made a bid for that contract were ever informed that their bids were non-conforming; that is, that the Government had not let the contract because every bid was non-conforming to the tender specification and, therefore, nobody had won the contract.

I raise this matter because one individual, who works for one of these companies, a printing company, asked in passing what happened in these matters. He said his company had put in a bid but it had heard nothing. He asked whether that was usual. He said the company spent time and energy getting the papers together and putting in a bid. It did not receive a letter saying that it had not been successful or that the bid was non-conforming; it received no response. That raises the question: If a contract is called and the contract is not filled, someone has made a decision to not fill that contract. However, this is not a contract for a building, which would be something new. This is a contract for printing services; it is a contract where work is continually being done. Someone has decided not only not to fill that contract after calling for bids, but also to give that work to a company or companies unspecified. Members can imagine that people are not happy about that. They are asking who has exchanged a few dollars and who is getting kickbacks. They are asking if friends and neighbours stuff is going on. It certainly does not have any of the hallmarks of professionalism - absolutely none. People talk about this issue, and this is just one example. I was in Kalgoorlie a while back doorknocking.

Mr Shave: What were you doorknocking for in Kalgoorlie?

Mr BROWN: The Minister for Fair Trading finds it strange that I should be doorknocking. The one thing I found was that all the people in Kalgoorlie have very high fences around their homes and very large dogs. It is quite a scary process.

Mr Shave: There are many bull terriers.

Mr BROWN: Yes, I have been bitten a few times, but fortunately not on that day. A gentleman told me that a contract had

been let for a section of road and that there was an overrun on the cost. He suggested I make some inquiries, so I asked questions in this place. I asked the minister whether a contract had been let for this section of road, and he said yes. I asked what the contract price was, and was told it was \$4m. I asked whether the contract cost had overrun, and I was told that it had overrun by \$1m. Was an announcement ever made about that? Did the minister ever announce a \$1m overrun? Would it ever have come to public light if it were not for that conversation?

People say the contracting system is pure and it is working well. They are two examples to indicate that the contract system is not working well. In your electorate of Geraldton, Mr Deputy Speaker, which I have had the pleasure of visiting a number of times in the past 12 months, small businesses have asked what happens when these large contracts are issued. Does the Government speak to small contractors who have traditionally done this work when it issues large contracts for which they cannot compete? The small businesses are out of the race and cannot compete for this business. Does the Government tell small businesses what it wants to do? Do they have an opportunity to make input into that decision making process, not as a matter of right but because they have done the work for a number of years, and as far as they are aware they have done a reasonably good job at a competitive price and of a reasonable quality? Are small businesses consulted about these issues? No, they are not.

I have asked questions in this place and I can refer to them specifically. I asked the Minister for Works, and Services what processes the Government goes through in consulting with these contractors.

Mr Board: Which contractors?

Mr BROWN: I will go through it again for the minister's benefit.

Mr Board: Do you know what the Minister for Works, and Services does?

Mr BROWN: He operates the Department of Contract and Management Services, and the contracts are let through CAMS, are they not?

Mr Board: Are you talking specifically about the term network contracts or all contracts?

Mr BROWN: I am not sure if they are referred to as term network contracts, but I am talking about what people in rural or regional Australia refer to as large contracts - mainly the Main Roads contracts.

Mr Board: Main Roads controls Main Roads' contracts. They often involve CAMS which will let the tender, but it does not control the contract. That happens with a lot of the major agencies. CAMS is primarily involved in works. There has been a very deliberate program of government to increase the percentage of work that goes to small business and particularly regional small business.

Mr BROWN: I talk to the business organisations when I visit regional Western Australia and I talk to small business people. This issue is raised with me constantly - I do not initiate it. I hear certain things from the people I meet about their concerns or issues that have come to us from another source. This is not an issue that the Labor Party drums up; it is raised with us everywhere we go, whether it be Bunbury, Geraldton, Kalgoorlie, or up north. It is a live issue. The minister may pretend it is not a live issue, but it is a live issue for the small business community. Whether it is the role of the Department of Contract and Management Services, Main Roads, the Health Department or whoever, the point I make is that nobody from government had the decency to talk to a number of small business operators about the fact that a decision had been made to issue large contracts which cover the work done by small business in those areas for many years. In many instances those small companies believed they had done a good job because they had won not just one contract but had repeatedly won contracts with the Government over many years, and their work had been accepted.

When some of those small businesses have raised these matters with government officers it has been suggested that they subcontract. There are two problems with that, as the minister knows. The first problem is that a head contractor is not obliged to apply the regional buying compact when allocating subcontracts under a contract. The minister has confirmed that in the House in previous debates. Those small businesses lose the benefit that is potentially offered by the regional buying compact. However, there is a second issue which is very important. Not many companies, but at least two of which I am aware, that offered to do subcontracting work for head contractors engaged by government did not get paid for the work, despite the security of payment arrangements that are supposedly carried out by government. It has been said in this place previously that government requires head contractors, when applying for payment under a contract, to sign a statutory declaration that subcontractors have been paid. One of two situations can occur here: First, subcontractors are falsifying statutory declarations. I do not think that is true because significant penalties apply for falsifying statutory declarations. However, a number of small businesses that are placed in this situation have asked what checking is done by government to ensure those statutory declarations are true.

Mr Board: I think the member will find that those statutory declarations require the head contractor to say that those payments have been made. These questions have been raised in the House previously. From time to time disputes occur between the subcontractor and the contractor over the amount of work, the quality of work and the way the work has been performed. That does not necessarily disqualify progress payments being made to the contractor.

Mr BROWN: Except that if a head contractor is applying for payment for work done by a subcontractor and the work is deficient, the head contractor should not apply for that payment. On the one hand, the head contractor cannot apply for the payment and say that the work is done and, on the other hand, go to the subcontractor and say that the work is deficient and the subcontractor will not be paid.

Mr Board: As the member knows, that might be a dispute between the contractors.

Mr BROWN: It may well be, but the head contractor should not apply for payment for that component of the work. If the view of the head contractor is that the subcontractor has not carried out the contract or that it has not carried out parts of the contract and that additional work is required or whatever, it should not apply for payment for that work. The head contractor should say that the work has not yet been completed and that until it has been completed it will not apply for payment for it, in which case the money would still be in government and would not be lost. As the minister and I know, under some of these arrangements head contractors have got themselves into financial difficulty, and they have used subsequent contracts to try to trade themselves out. By doing that, the small businesses they engage as subcontractors have become vulnerable, because if the head contractors do not trade out of that difficulty, ultimately it is the little bloke; or the little woman, the small business or whoever it might be who cops it on the chin. It is all very well for head contractors to say that they took the punt, but they do not consult the subcontractors and say that their business is on the blink, that they might not be able to pay, but is that okay and would the subcontractor do the work. Many subcontractors are not told. The Opposition sees a whole range of problems that must be thoroughly investigated.

What bewilders some of the small businesspeople to whom I have spoken about the way contracts are drawn - that is, when the decisions are made about the size and structure of contracts and so on - is the degree to which those responsible for drafting the contracts look at the capacity of small and medium-size businesses in the regions to do the work. Who makes the decision about the size or the nature of the contract remains a mystery to many small businesses. That decision means that small business either does or does not get a chance to compete. Many small businesses have asked me whether the Government, in drafting the tenders to be called, is conscious of the need to give small business an opportunity to compete, and to what extent is that insisted upon. Small businesses, particularly in regional areas, constantly draw to my attention contracts for which they cannot possibly compete because the contracts are too large, too complex and too diverse, involving a set of resources which are beyond the capacity of any small business to reasonably manage.

Although the motion before the House is narrow, I support it because the issues that have been raised by the member for Armadale should be investigated. I also believe that there should be a wider investigation. However, in starting to address some of these problems, it would be wise to deal with the issues raised by the member for Armadale in a proper way.

Mr Board: This is really about aggregation of some large contracts. As the member knows, we aggregate telecommunications contracts and air service contracts. At what level would you decide the savings would be appropriate in terms of aggregation?

The DEPUTY SPEAKER: It is very hard for the Hansard reporter to hear when the minister is speaking so quietly. If the minister wants to interject, he should at least make it loud enough for people to hear.

Mr BROWN: One starts by looking at the regional development policy. That can be done by asking what will happen if the work is placed in a certain area and whether it will have an economic impact that will have spin-offs which will hopefully lead to growing business and growing employment opportunities in the area; therefore, because of the eventual scale in that area, there will be more competition. That must be judged ultimately against the regional development policy, and it depends on the strength of that policy. I will give an example: The Deputy Premier has released a comprehensive draft on a regional development policy. Many of the matters contained in that will probably be agreed to by the Government and the Opposition. However, questions of consistency arise. One of the proposals in the draft regional development policy is that in order to make regional Australia more attractive, the Government should try to minimise prices in regional Western Australia. We do not want to drive people back to the city by having higher prices in regional Western Australia. That is pretty logical and sounds okay.

In the next instance, the Government decided to increase power prices for medium and large businesses in a range of regional centres. Two issues arise: First, some of the export businesses will immediately look to relocate away from those centres to get back to the main grid, where the power costs are cheaper; secondly, the domestic businesses - the Coles and Woolworths supermarkets and others catering for the domestic market - will be faced with an increased cost. Will they absorb it, or pass it on? Of course, they will pass it on, and they will do that by increasing prices. There is no magic about that. Will we have a strong regional development policy? If so, it must impact on energy policy prices. Those two issues cannot be separated. It simply does not make sense. It is a matter of the degree to which the Government is prepared to say that its purchasing and contracting policies will be skewed towards regional development, and will put an emphasis on that outcome.

I raise one final point about government contracting arrangements. This is an absolute gem. Some years ago, a contract was called for the bakery on Rottnest Island. This was a very interesting contract. A number of people put in expressions of interest. They had to submit information about their background and what they had done previously. About half a dozen of the potential tenderers were taken to Rottnest Island, shown the old bakery and told what was expected of them. Being astute business people, they asked whether they could look at the figures, as most people would when an existing business is involved. They needed the figures to make an assessment of whether it was a good proposition that would enable them to put in a quote. The package of information from the Rottnest Island Authority contained everything but the figures.

Eventually, the figures were released and some people brought them to me. From memory, they showed income of about \$1.3m a year and listed all the expenses at about \$800 000. It then showed the amount of profit. On those figures, it looked like a viable business. We must bear in mind that the rent paid by the bakery to the Rottnest Island Authority is based on the bakery's turnover. The people who brought the figures to me asked me to look at them and to indicate whether I noticed anything odd about them. I continued to look at them and I told them I was not in this business and that I did not know.

I asked them to tell me what was wrong with the figures. They told me that one thing was missing. When I asked what it was, they asked me to think about what the business was. I said that it was a bakery. They asked me to think of what a bakery needed to operate. The answer is that it needs ingredients. In bakeries, the rule of thumb is that one-third of costs goes on ingredients, but that figure was not shown in the information produced by the Rottneest Island Authority. This is a government contract. We inquired whether the Rottneest Island Authority had accepted the figures, whether it sought to verify them and how the bakery would operate, but that question was never answered satisfactorily. If more time were available to me within which to speak in this debate, I could continue to pore over the history and find more examples. The *Hansard* is littered with them.

Mr Board: I think you may be making it up.

Mr BROWN: I will not answer that!

Ms MacTiernan: You will not rise to the occasion!

Mr BROWN: I support the motion moved by the member for Armadale because, at least, by carrying out an investigation into this matter, we might uncover some inadequacies in this issue.

MR COWAN (Merredin - Minister for Commerce and Trade) [5.15 pm]: I will comment quickly on some of the remarks by the members for Armadale and Bassendean. Although towards the end of her remarks the member for Armadale corrected herself, she said that she had the view that the contract had been let. It has not. She spoke about the contractor all the time. There is a requirement that I correct the record.

Ms MacTiernan: It was evident from the whole thrust of what we were saying. Read the motion.

Mr COWAN: I have read it. I am sure the member knows there is a preferred proponent. I do not doubt for one moment that the member was very careful in her selection of words. That disappoints me because she knows there is a reference in the motion to the preferred proponent; yet I never heard her use that term, other than towards the end of her remarks. She spoke about the contractor. I must make it very clear that as she began her comments, she got it right. There was an invitation for pre-qualification. It closed in September 1999 and attracted nine consortia. Proposals were received from four pre-qualified companies on 6 August 1999. From those, RoadCare WA was given preferred proponent status in November 1999. That was the process. The member for Armadale got it partly right.

Then the member for Armadale dealt with a number of issues that I would like to take up. I can understand her concerns. They were addressed at the community meeting that was conducted in Narrogin which she attended; there needed to be a very clear level of access and discussion between anybody who had been offered the privileged position of preferred proponent and those people who had in the past demonstrated their capability of winning work with the Government, particularly with Main Roads Western Australia. The meeting agreed that no doubt there needed to be the capacity for communication between the preferred proponent and companies. Again the member for Armadale was quite right. In the main, the meeting said that that line of communication was well established and people were encouraged by the approach RoadCare had taken to sit down with the local people and identify opportunities for local contractors.

Then came the claims on behalf of QTS, Quarry Park, L.R. Archibald and Co, KEEDAC and the Southern Aboriginal Corporation that they were included in the negotiations. The member for Armadale claims that not only were they included in discussions with RoadCare, but also this was done as part of their pre-qualification or their bid to achieve preferred proponent status.

Ms MacTiernan: Do you deny that?

Mr COWAN: I do not deny that at all. That is precisely the process that one must undertake. I do not know whether the information was given directly to the member, but I know that one of the member's colleagues in the other place was given by the Minister for Transport the information relating to Term Network Contract 3. The minister made it clear when he gave it to the member's colleague that the rules which applied to Term Network Contract 3 were to apply as a standard process for all term network contracts, including Term Network Contract 5.

Ms MacTiernan: To where does No 3 relate?

Mr COWAN: It is the great northern region; that is, Geraldton and Mt Magnet in the northern area. It is \$244m over 10 years. The little communication I have had, for example, with local government authorities concerning the awarded Term Network Contract 3 - this debate is about No 5, not No 3 - indicates that the local authorities are quite satisfied with the performance of that contractor.

Ms MacTiernan interjected.

Mr COWAN: Yes.

Ms MacTiernan: When did it start?

Mr COWAN: I cannot say as I did not ask in casual conversation.

This is not the first time these matters have been raised, but they have possibly not been raised before so comprehensively. Nevertheless, although the member mentioned the names of companies, her comments had little substance. That is neither here nor there. I understand the allegation: RoadCare is being accused by the member in its bid to become the preferred

proponent of listing these people and their expertise to be utilised in the delivery of the requirement of this contract should it be signed. That is a very important issue. I agree with the member that it is important. However, I dispute whether these things have occurred. I can assure the member of one thing, and I return to the reason I put the qualification on the member's use of words with respect to the preferred proponent. No contract is signed yet.

Ms MacTiernan: I know - that is the point of raising it.

Mr COWAN: I thank the member. An independent probity auditor has been appointed in respect of this matter.

Ms MacTiernan: Who is the probity auditor, and who is he working for?

Mr COWAN: I do not know but I will find out the name for the member. There is an independent probity auditor, and a formal complaint has been made about issues akin to those raised by the member in this debate. The independent probity auditor thoroughly investigated those allegations earlier this year - the complaint was made formally by a company, and the allegations were specific - and they were found to be unsubstantiated.

Ms MacTiernan: Can we get a copy of the report?

Mr COWAN: I can give the member the name of the independent probity auditor and she can ask him, but I will not make that commitment. He can do so if he finds that he has no problem with that request. Given that this contract has not yet been signed, and that we are in the process of negotiation, some sensitivity is involved. I will let the independent probity auditor, Main Roads Western Australia and the minister make that decision; it is not my decision to make, as the member well knows.

I now move to the other very important issue. I refer to the terms put down by a company like RoadCare when seeking to be the contractor in a term network contract. Members need to bear in mind that the operator is only the preferred proponent at this moment. Should the terms submitted to Main Roads which caused the company to win the preferred proponent status be substantially different from what is negotiated in the contract signing process, I can assure the member of one thing: The independent probity auditor would make a strong recommendation to Main Roads that a contract should not be signed in those circumstances. Even if the independent probity auditor said, "This is not my direct responsibility, but I draw attention to this fact", I can guarantee that the Government would ensure that the contract was not signed.

Ms MacTiernan: I accept what you're saying. We do not know who is the probity auditor or who employs him, and he prepares a report we cannot look at. It's not a great deal of comfort.

Mr COWAN: We had to listen to allegations made in Parliament with no substantiation whatsoever. A process is in place which will be adhered to. If a significant variation arises between what was stated by the preferred proponent in winning that privileged position and what the company seeks to have written in the contract, I am sure the independent probity auditor will draw attention to the fact. If he decides that it is not his responsibility, I guarantee that Main Roads would identify that difference, draw it to the attention of the minister, and the Government would indicate clearly that the contract should not proceed.

Ms MacTiernan: We ask for you or your Minister for Transport to look at the matter, and not rely upon Main Roads officers. At least give these people a hearing.

Mr COWAN: Given that the member for Armadale has raised these unsubstantiated allegations, they will be very carefully investigated by the appropriate authorities.

Ms MacTiernan: What do you mean unsubstantiated?

Mr COWAN: The member gave us no substance - she simply said it happened. One formal complaint was made to the probity auditor, and was found to be baseless when investigated by the probity auditor. We need to take these issues up. I assure the member that they will be taken up with the relevant body.

I return to the second part of the member for Armadale's comments. The first part was that a substantial difference could arise between what was included in the preferred proponent's bid to achieve that position, and what might be in the finished contract.

Ms MacTiernan: And Main Roads is going along with it.

Mr COWAN: Now we need to go to the next step and consider whether those matters can be built into a tender or a contract. It is important to deal with the regional development criteria, because although the member for Bassendean did not speak about this term network contract he spoke about regional compact buying and the level of regional content in some of the contracts. I can give the member for Bassendean some advice: In excess of 70 per cent of the contracts that are let through the Department of Contract and Management Services in regional Western Australian are let to companies within the regions. However, the figure is just under 50 per cent for Main Roads contracts. One of the reasons given for that is that expensive material is purchased from bitumen and road-based manufacturers which must necessarily be bought outside the region and delivered to the region. It is understandable that the Main Roads percentage would be less than other contracts.

We were not happy with the overall level of content in regional areas under the term maintenance contracts, which were the precursor to the term network contracts, and we wanted to see them build upon those figures. For that reason, we put the regional development criteria in place. I am sure that either the member for Armadale or the member for Wagin can

vouch for what I am about to say. At the Narrogin meeting someone asked whether the Government could guarantee that the regional development criteria specified in the term network contract system would be incorporated into the contract. Before I continue I will tell members about some of the issues associated with the regional development criteria. The proponents were required to provide details of -

Their proposed regional offices, bases and depots;

The value and percentage of goods, materials and services in the contract that will be sourced from within the Region;

The key management and emergency response staff that will reside within the network; and

The proportion of its employees and subcontractors working on the contract that will reside within the network.

That is a reasonably comprehensive list. The regional development criteria provide an adequate safeguard to ensure that when the contract is signed the term network contractor will have all of that clearly set down. If, as the member for Armadale says, that was built into the submission made by the preferred proponent in winning the contract, I can guarantee that will be reflected in the contract. That is the critical issue that the member for Armadale raised. I can reassure the member for Armadale that these commitments are built into the contract. The Main Roads document reads -

The commitments that the Preferred Proponent makes in its Proposal in support of regional communities, local industry and small and medium enterprises will be bound into the Contract and will be binding on the Contractor.

Ms MacTiernan: Then why are Liberal and National Party supporters wasting their time coming to see me?

Mr COWAN: A number of them came to see me. I said that I would be delighted if they made a formal approach to me with something that I can take up as an issue. To date I do not have that. Nevertheless, the member for Armadale has alluded to one issue that has caused some concern; that is, the composition of the consortium. The member referred to the New Zealand-Malaysian connection. For some reason a strong rumour is floating around. I do not know where it started, although I suspect it might have been started by those qualifiers who did not get to preferred proponent status. However, it is possible that someone wanted the rumour mill working strongly. It is probable that they identified in the member for Armadale someone who is best at that game and said, "Why don't we wind her up? She'll do the job for us."

Ms MacTiernan: Your mob are bloody half asleep. That is why we have to go into your electorate.

Mr COWAN: The member for Armadale is welcome in my electorate any time. I would like to knock off the member for Wagin as the member with the safest seat in this Parliament. Unfortunately, at the last election the member for Wagin beat me in that contest. If the member for Armadale came into the electorate of Merredin her presence might get me over the edge. That is an open invitation to the member for Armadale.

Ms MacTiernan: I will come once you privatise Westrail.

Mr COWAN: I recommend the member come before then so we can have a debate. I do not mean the member for Wagin any disrespect, but with a little bit of luck, I should be able to knock him over.

Ms MacTiernan: What is the rumour that I am supposed to be spreading?

Mr COWAN: It is exactly what the member for Armadale said in this Parliament; that is, all of these things that were said by the preferred proponent in its bid would be shunted to one side and it would all be provided in-house by the consortium. That is the rumour that has been floating around. I can assure the member for Armadale that the Government has in place the necessary prerequisites to ensure that in making a selection from the group of four prequalified companies of one that would be given preferred proponent status, one of the criteria was the company's ability to deal with the issues the member for Armadale raised in this debate.

Ms MacTiernan interjected.

Mr COWAN: The member for Armadale should let me finish. One of the member's tactics in this Parliament is the moment someone gets started on something she tries to divert them by interjection. I do not mind answering interjections, but I am trying to point out to the member for Armadale that the term network contract system has in place the necessary checks and balances that will overcome those things about which the member is concerned. In the first instance, we have an independent probity auditor.

Ms MacTiernan: Who is unnamed. Your whole argument is based on the existence of the independent probity auditor, so tell us who that is.

Mr COWAN: This demonstrates my point. I have already indicated that I do not know who it is. I have admitted that frankly to the member. All she can do now is to keep on demanding that I identify who it is. I have also given an undertaking that I will provide that name after consultation with the Minister for Transport. I am sure that he will agree, and then the member can do whatever she wants to do. The point I am making is that the independent probity auditor exists. The contract has not yet been signed. We will have these allegations investigated by the proper authority. There is no question that if there is any substance to them the necessary response will occur. That will ensure that those bodies, such as the preferred proponent, who have given a clear undertaking with respect to regional development criteria, must comply. That is the requirement and within that requirement it will be written into the contract. I do not think people can ask for anything more than that.

I hope I have been able to deal with some of the issues that were raised. I treat as very serious the allegation made by the member for Armadale that senior officers in Main Roads Western Australia have been colluding with people from the offices of the preferred proponent. I am looking forward to receiving the list of names. I give the member for Armadale an undertaking that the people involved will be referred to the Minister for Transport and he will have investigated any allegation she cares to make because Main Roads Western Australia will want to protect its reputation, as will the minister and the Government. Allegations made in this place that officers of Main Roads have been colluding with representatives of the companies bidding for a contract deserve to be investigated and a response must be made.

The issues raised by the member for Bassendean were broader and not necessarily associated directly with this motion but dealt more with the extent to which the regional buying compact has value and how, due to the contracting system, something sometimes falls through the net. I am sure the member for Bassendean appreciates that a substantial number of contracts are let every year. I hesitate to suggest a number, but their value will be in the billions of dollars. No matter how hard we try through the State Supply Commission, Contract and Management Services and all the other checks and balances we put in place, somewhere something will fall through the net.

The member for Bassendean is quite right to bring those issues before the Parliament to ensure they are checked so we can close the loophole. I have been in this game for a while and have raised the same issues he raised. I have been told it will be fixed, followed by a neat letter saying it has been fixed, but somewhere else a bubble occurs and something falls through the net. I can assure the member we will seek to maintain the level of transparency and accountability in the contracting system and seek to honour the regional buying compact whereby preference is given to people within the regions.

I also note the comments of the member for Bassendean about the issues associated with seeking to make the regions a better place in which to live by driving prices down or delivering some equity to people living in the regions. That can only be done within reason. It is a never-ending process. Like our predecessors, we are striving to reach that position. I make one treaty with the member for Bassendean: I would be delighted if he could convince the Federal Government to stop talking about regional development and the possibility that there might be a divide between the city and the country and convince it to provide some financial horsepower that will deliver the infrastructure and the services that can guarantee, not complete equity, but something a little closer to those privileges enjoyed by people living in urban areas.

The Government will not support this motion. We have in place the necessary checks and balances to ensure that this contract will be signed in a way to guarantee that the commitment made by the preferred proponent in the process it underwent to be in that privileged position will continue through to the contract to ensure that the local contractors have a decent bite of the cherry.

Ms MacTiernan: Will you defer it?

Mr COWAN: No, it will not be deferred. My understanding is that negotiations are taking place which will be overseen by the independent probity auditor. The preferred proponent will implement everything it put into its bid, otherwise the contract will be a protracted process which will not be signed for some time. Given the nature of the remarks of the member for Armadale, there is no reason for us to defer the process, although there is certainly a need to investigate her comments. The matter is proceeding, albeit slowly and it is painstaking, but that is the way it deserves to be.

Ms MacTiernan: Will you meet with the companies involved?

Mr COWAN: I would be happy to meet with the companies involved. As I said, the Government does not accept this motion because it asks us to defer. We will continue with the process, which will take at least a month, probably longer. The member for Armadale has added to the number of issues we will investigate.

MR WIESE (Wagin) [5.45 pm]: This motion concerns my area. Almost every company the member for Armadale referred to is strongly represented in my electorate and my local town of Narrogin. The member for Armadale opened this debate by commenting on - I am glad the Deputy Premier has commented on it - the successful tenderer. I wondered what she knew that I did not know. All my information, supported by the Deputy Premier's remarks, is that a tender has not been let. However, a preferred tenderer has been selected with whom negotiations have been taking place for about six weeks, perhaps even a bit longer, since it was announced that RoadCare Australia was the preferred tenderer.

That is the core to half the problems concerning most of the companies that have been speaking to the member for Armadale. The difficult situation is that RoadCare is the preferred tenderer. It does not yet have a tender; therefore, it is not able to sign tenders with the likes of L.R. Archibald and Co, the Kaata-Koorliny Enterprise and Employment Development Aboriginal Corporation or any of the other companies there. When the member for Armadale reads her transcript she will find that she indicated that Archibalds had been given work. I do not know on what basis she made that claim because I understand that RoadCare does not have a tender. RoadCare has said all along that it is not in a position to enter into contracts with local regional contractors until it has a tender.

As the member for Armadale said, KEEDAC has been having discussions with RoadCare Australia since about August last year. For a long time, it has appeared to have had very strong indications from the RoadCare proponents that they are interested in doing business with KEEDAC. As the member for Armadale said, KEEDAC is part of the tender proposition RoadCare submitted to Main Roads. KEEDAC is in a difficult situation; it cannot finalise entry into this contract because it requires funding from the Aboriginal and Torres Strait Islander Commission. Proposals are in front of ATSIC seeking vehicles and all the other equipment it needed to become part of the tender. However, KEEDAC cannot go to ATSIC until it has received an indication from RoadCare that it will be part of its tender. I have taken representatives from KEEDAC to meet with the minister and the Commissioner of Main Roads to try to sort out this issue, but at the end of the day that

is the difficult situation that we are in. I desperately want KEEDAC to be part of the RoadCare proposal and to provide a substantial number of the people who will do the sort of work to which the member for Armadale referred, because that has the potential to be a major source of employment for Aboriginal people throughout this area, which ranges from well north of Narrogin to Albany. It will also provide a great opportunity for them to be involved in running the business that they have set up under the KEEDAC banner and to play a key part in putting together that business proposal. However, the problem is that no tender has yet been entered into. I had hoped that rather than come in here and bleat about the problems with these tenders, the member for Armadale would do everything she could to help KEEDAC in particular, and also any of the other organisations, become part of the tender once RoadCare moves from being the preferred tenderer to winning the tender. At the end of the day we want to ensure, and the member for Armadale should also be trying to ensure, that the regional contractors and personnel and the shire councils get as much as they can of the work that will need to be done once this tender is let.

I wish to deal with one other matter; and the Deputy Premier dealt with this matter reasonably well. I was appalled to hear the allegation that the member for Armadale made about the conduct of Main Roads' officers. She said - I wrote it down - that they are working in collusion with RoadCare and are being wined and dined. That is not just an insinuation but is an allegation about people who, in all my experience in working with them since this process began, have acted with the highest integrity in this matter. Those people have absolutely refused to talk with me about who and what is part of this tender process and about what chance they have of getting the work. Therefore, I was absolutely appalled to hear the member for Armadale make that allegation, and I hope she can back it up. The member for Armadale backed away in the end from alleging corruption, because when I told her that if she had an allegation of corruption she should go to the Anti-Corruption Commission, which we put in place to deal with allegations of corruption, she said she was not really talking about corruption.

The member for Armadale's motion calls for this whole process to be suspended. That is the last thing that is wanted by the people in my region and in the whole of the region covered by this term network contract. They want the process to be concluded. All of the local contractors and companies in my area and in all of the other areas covered by this term network contract have been waiting since about November of last year to get on with the jobs that will flow from this contract and to play their role. However, for the past four months they have been in a state of suspended animation, waiting for the contract to be let. The last thing they want is to have the process suspended and to remain in that situation for another four or five months. That will be intolerable. The motion is unacceptable, and I am sure it will be dealt with as it deserves to be: Thrown out!

MS MacTIERNAN (Armadale) [5.55 pm]: I am pleased that the Deputy Premier seems to grasp the basic issue that has been presented -

Mr Cowan: An elephant stamp from the member for Armadale! I will be able to put that on my CV!

Ms MacTIERNAN: It is a first! It does bear noting in *Hansard* that it is a first that a National Party member has been able to follow an argument. I hope the Deputy Premier will meet with these people and listen to their complaints. However, there is an almost touching naivety on the part of the Deputy Premier in that he believes all will be well. This is the same line that he gives us time and time again: The processes are in place and are working well, and they will deliver the outcomes that we want. I am sure the Deputy Premier genuinely believes that yes, Virginia, there is a Santa Claus! However, the Deputy Premier is not paid to be naive. He needs to open his eyes and accept that the cases that have been raised by these companies indicate that the processes are fundamentally flawed. The Deputy Premier can talk about bits of paper that contain all those provisions. However, as we have demonstrated, they seem to amount to absolutely nothing, because companies can make all these assurances and be successful in being chosen as the preferred proponent, yet completely back away from those assurances. I take some comfort from the fact that the Deputy Premier said he would look at these processes, and I will make sure that these companies are referred to him and go through the matter with him in some detail so that he and perhaps his Minister for Transport can be actively engaged in this area and supervise what is taking place in Main Roads.

I now want to comment on the contribution, if I can call it that, from the member for Wagin. His script was written by RoadCare, because he ran exactly the line that RoadCare has been running: We have not yet had our contract signed, so we cannot sign any other contracts. Of course it cannot. That is not the issue. The issue is that before the tenders went in, undertakings were given to the companies that they would be the suppliers of services of a certain scope, and at certain prices, and that once they were accepted as the preferred proponent - and in any sense that is a successful tenderer -

Mr Wiese: On what basis do you say the undertakings were given?

Ms MacTIERNAN: They were given on the basis that these companies would come in and put their names to the provisions within annexures 19 and 20 of the tender document so that this company could establish that it had personnel of certain experience and reputation that would enhance the selection criteria, that it had staff and product from a regional area -

Mr Wiese: I do not believe such undertakings were given.

Ms MacTIERNAN: That is certainly not the understanding of these companies. KEEDAC and the Southern Aboriginal Corporation did not have signed contracts, but undertakings were given that they would do all the work between Albany and Kelmscott and undertake the range of duties that I set out, and that there would be a certain price. The problem is not that RoadCare Australia will now not sign these contracts in advance of signing the main contract but that it will not go ahead with what it put in the tender document. It appears no longer to think that these groups can do the job. It will get

someone else to do it more cheaply or the company will do it in-house. That is not acceptable. It is also not acceptable that, according to correspondence I have been shown, Main Roads staff are going along with RoadCare Australia in this regard.

RoadCare Australia's attempt to resort to pedantry and to say that the contract has not yet been signed so it is not yet the successful tenderer is rubbish. We are not talking about that; we are talking about very clear statements that in some instances there will now be a change in the scope of the works and the price offered to those people who were enticed into contributing to the submissions that were provided to Main Roads. The Quarry Park group is particularly angry because it provided extensive financial details that were incorporated in the final tender documents.

RoadCare Australia's backtracking is interesting. The problem is not that KEEDAC needs seed funding from various Aboriginal funding agencies -

Mr Wiese: It is more than seed funding.

Ms MacTIERNAN: There is no doubt that it needs money. However, the fact that all of a sudden we have a very different story and a great deal of ambiguity coming from RoadCare Australia about the scope, geographic area and price that will be offered has made it impossible for these groups to put forward a successful funding submission. If RoadCare Australia were prepared to stick with the deal offered before it went into the tender process, KEEDAC could go to the Aboriginal agency and seek a conditional approval. The approval would be conditional ultimately upon RoadCare Australia's winning the contract and signing up as agreed. The problem is that RoadCare Australia is no longer making that commitment. It is not the absence of signed contracts that is causing problems; it is the absence of even a conditional undertaking on its part on issues that were fundamentally signed off before the tenders were submitted. It is a complete disgrace.

Reference was made to my making allegations about Main Roads staff. The point I was making was that the people who came to see me had a clear impression of bias. They have pointed to a number of instances of senior Main Roads staff supposedly being wined and dined and given access to the company's corporate box. I do not believe that that necessarily amounts to corruption. I have not backed off; I did not even make an allegation about corruption. I said that in my view it was a possible breach of public sector ethics. I have no direct evidence supporting those allegations, and for that reason I have not named those people in Parliament. Mr Deputy Speaker, you would have heard the little homily from the Speaker today about how we must be cautious when naming people in Parliament. I did not name these people because I have no direct substantiation. However, I do believe there is a clear impression of bias and a clear lack of confidence among these players that the public servants are doing the right thing. As I have said in this place many times, one of the big problems with this Government in its travels down the privatisation path is that it has not put in place the measures that are required in this new environment to ensure that the processes are fair and above board. There has been no additional training of staff on the need to distance oneself and, indeed, perhaps even to realise that going into the pub and having drinks and food put on the tenderer's account could be seen to be colluding with that tenderer.

Mr Wiese: They have been negotiating contracts for millions of dollars for years.

Ms MacTIERNAN: Yes, but nothing of this magnitude.

Mr Cowan: Just give me the names.

Ms MacTIERNAN: The entire operation is being contracted out.

The member for Wagin says that the people down south simply want to get on with this. The message I am getting is the complete opposite. Main Roads WA is still functioning in these areas. In fact, this might afford the opportunity to get out of this term maintenance contract and to go back to a sensible arrangement that does not bleed the taxpayers by sending these dollars to New Zealand and Malaysia. We might be able to keep that money here in Western Australia with the constructive engagement of Main Roads staff and Western Australian businesses.

Question put and a division taken with the following result -

Ayes (17)

Mr Brown
Mr Carpenter
Dr Edwards
Dr Gallop
Mr Graham

Mr Grill
Mr Kobelke
Ms MacTiernan
Mr Marlborough

Mr McGinty
Mr McGowan
Ms McHale
Mr Ripper

Mrs Roberts
Mr Thomas
Ms Warnock
Mr Cunningham (*Teller*)

Noes (27)

Mr Ainsworth
Mr Barnett
Mr Barron-Sullivan
Mr Board
Dr Constable
Mr Court
Mr Cowan

Mr Day
Mrs Edwardes
Dr Hames
Mrs Hodson-Thomas
Mr Johnson
Mr Kierath
Mr MacLean

Mr McNee
Mr Minson
Mr Omodei
Mr Osborne
Mrs Parker
Mr Prince
Mr Shave

Mr Sweetman
Mr Trenorden
Dr Turnbull
Mrs van de Klashorst
Mr Wiese
Mr Bradshaw (*Teller*)

Pairs

Mr Riebeling
Ms Anwyl

Mr Tubby
Mr Baker

Question thus negatived.

DEATHS AND SUICIDES AT GRAYLANDS HOSPITAL*Motion*

MS McHALE (Thornlie) [6.10 pm]: I move -

That this House notes with alarm the distressing report on deaths and suicides at Graylands Hospital and calls upon the Government to -

- (a) respond to the call for an inquiry into the matters raised by the families of patients who have tragically suicided;
- (b) adequately fund mental health services to ensure comprehensive community services are available and that in-patient services are appropriately funded; and
- (c) begin to take seriously the needs of people affected by mental illness.

I will make a few opening remarks about the structure of this motion. To put it in context, on Monday night on Channel 7 a program exposed a series of tragic cases of suicide at Graylands Hospital. Within that was a call for an inquiry. I will address that issue, and I hope that today we will get a response from the Government about whether it intends to listen to that call for an inquiry or, alternatively, to merely dismiss it. The cases of suicide must be seen in context; they do not just happen. The context in which members on this side of the House see those tragic cases is one of under-funding in mental health, particularly in community-based services to support those who are affected and afflicted by mental illness once they are discharged from an institution or in fact are never admitted to an institution. That is the majority of people in our community who suffer from a mental illness.

The third part of the motion may well be dismissed out of hand as being mischievousness on the part of the Opposition, but it is a serious comment. All of us must take seriously the needs of mentally ill patients. Mental illness and psychiatric services typically are never taken as seriously as other parts of the health services. I take them seriously. If we only opened our eyes, everyone in this Chamber would know of somebody who is suffering from a mental illness. What is worse than that is that all of us have probably come across tragic cases of youth suicide. That is the context in which I have formulated the motion and I will now address it in greater detail.

I saw the program on Monday night, and no doubt a number of other members also saw it. I hope that those who did were struck by the absolute tragedy of the families who were the focus of the program - the tragedy of losing talented and beautiful young people. When these young people were not suffering from a mental illness, they had the world at their feet; yet these families have suffered tragic losses. For the benefit of those who did not see the program and are perhaps not familiar with what I am talking about, I will refer to those cases so that we are talking the same language and members understand where the Opposition is coming from.

We learned about Romuald Zak. Six days after Romuald disappeared from his ward, he was found under a tree on the perimeter of the hospital grounds near a pathway. His body was badly bruised, his face was covered in blood, and cigarette burns were on his hands. The Zak family cannot understand why there was not a comprehensive search for their son around the hospital grounds and how his dead body lay unnoticed for so long. Other elements about this case are still without answers. The case is now the subject of a formal request to the Attorney General for a second coronial inquiry.

Gretel Fell-Smith initially sought help from Sir Charles Gairdner Hospital. However, on 19 January last year she admitted herself as a voluntary patient at Graylands, depressed and suicidal. Within 24 hours she was dead. She was found hanging from a curtain rail in the admissions ward. Because she was depressed and suicidal at the time, she was supposed to be watched closely and checked every 30 minutes. The management of the hospital admits that this did not happen.

Thirdly, Melissa Saunders was 22 years of age and was more or less a street kid. She suffered from a personality disorder. She had been treated at Graylands on 10 occasions between 1996 and 1999 and was well known to the hospital. Staff were aware that she needed medication for her epilepsy and other conditions. She was finally admitted on 5 April last year. The coroner found that Melissa had choked to death after having an epileptic fit. She was in a secure ward, and staff were supposed to watch her closely because of her condition. Melissa was very large, and her family cannot comprehend that no-one noticed she was having a fatal seizure.

The final case does not concern a person who falls into the young category. However, the case is important because of the particular circumstances. Noreen Egan had been a regular patient at Graylands. She suffered from schizophrenia and was a drug user. She went missing on 11 August and was found dead under some bushes some 15 days later; yet the location of her corpse was just metres from a busy pathway.

They are certainly not isolated cases. The rate of inpatient suicide to admissions of patients at Graylands has increased steadily over the past 12 years, both in absolute terms and in ratios. In 1987, the ratio of suicides to admissions was one suicide to 660 admissions. In 1999, it was one suicide to 291 admissions. Therefore, the rate of suicide has increased

threefold over that decade. It is not incremental in any way, but the pattern is one of a general increase. Those are worrying figures indeed. Over the past 13 years, there have been 100 deaths at Graylands, 61 of which were suicide. Thirty suicides have occurred in the past four years. Therefore, over the past four to five years, there has certainly been what would be described as an alarming and dramatic increase in the number of suicides. I am talking only about Graylands. I will comment on the other institutions as I proceed.

As a result of the program and as a result of seeing those cases of, on the whole, young, tragic suicides, the Health Consumers' Council WA called for an inquiry into these figures. The parents of the young people are also demanding answers, not only about their own individual cases but also about what appear to be systemic difficulties in the delivery of care in an inpatient situation. We also learned that a former Graylands psychiatrist who had years of experience in the hospital has added his support to the call for the inquiry. Hence, apart from putting on the record the absolute distress of these families, my desire tonight is to ask the Government what is the response to that call for an inquiry. I have spoken with the families of all the people I have mentioned except for one. The families are pleased that Parliament will consider their plight. They are pleased that there will be some serious consideration of an inquiry because that is what they are entitled to at the very least. These families have lost their very talented and special children and their grief is all the more heart-rending because of unanswered questions. I will dissect the cases and tell the House what those unanswered questions are, and there are quite a few. The first and obvious one is how can inpatients go missing for days without their absence being noticed? How could corpses be undetected for six and 15 days? Why in cases where observation was needed were the 30-minute observation checks not undertaken rigorously? Why were known suicidal, vulnerable patients not adequately monitored? Were correct doses of medication administered? Were there breaches of protocol in the failure to ensure that doors which were supposed to be secured were properly secured in areas where vulnerable patients who were prone to self-harm could take their own lives? Were staffing levels adequate for the hospital's duty of care obligations? These are just some of the questions which must be posed as a result of these cases. Each individual case has its own set of questions, but I am not dealing with the individual cases tonight; my concern is whether there are systemic problems which need to be further investigated.

Members might have seen the letter in today's *The West Australian* from the mother of Gretel. She pleads with the Government for a re-evaluation of Graylands Hospital for the "Gretels of the world who are reaching out for the help that is deprived them in today's society." At the least tonight I expect the Government to respond to the question of whether it is prepared to hold an inquiry to evaluate whether the proper processes of care and attention can be guaranteed. Following the publication of the letter today, Jann McPherson, the mother, has received many telephone calls from parents who have experienced similar concerns in similar circumstances. The message to her has been that she is on the right track - others have experienced similar problems with their children and they are concerned; some of these children have suicided.

The Mental Health Association has also received many calls as a result of the Channel 7 program. That program touched many nerves and created in the community a response about the level of care at Graylands. However, the interesting reaction, particularly to the comments from the Mental Health Association, prompts me to call upon the Government to broaden any review of services. I say that because the people who are registering concerns are saying that they need an independent review and that there are sufficient concerns to require a degree of separation between the Health Department which delivers the services and whoever conducts the review. However, over the past 24 hours we have learnt that the problem is not confined to Graylands. We know that Graylands is the psychiatric hospital, but Royal Perth, Sir Charles Gairdner, Fremantle and Joondalup hospitals all have units to deal with patients who require attention for their mental illnesses. People are calling for a review of all those institutions and for any inquiry not merely to focus on Graylands. It is not merely a problem, however grave it is, of inpatients suiciding; there is a degree of wisdom among those who are closely involved in the mental health area that there is a connection between suicidal behaviour and discharge from a psychiatric unit and a relationship between suicide or attempted suicide and refused admission. I know that might be a difficult area to investigate but if the Government is serious about coming to terms with what is happening, it will need to, first, have an inquiry and, second, broaden it to ensure that we do not merely focus on Graylands as that can be problematic. We need to reassure the community, Government and the Parliament that procedures are in place in all psychiatric units and that we have looked at the effects of premature discharge and refused admission on suicidal behaviour. The message I am getting from those who work intimately with people with mental illness is these are the pressure points and the areas which we need to examine.

However, at this stage I want to make the point that any inquiry must not have the effect of causing a knee-jerk reaction in the Graylands Hospital, in any other psychiatric unit or in the Health Department. There is a fear that there will be a reaction because of the exposure which had to happen and that the reaction will be more punitive. People are saying that there needs to be an inquiry but the work needs to build on the positive directions which have been taken and on the therapeutic programs which are operating; programs of which there are not enough. I repeat, there is a fear that patients who are already in Graylands will find that things will tighten up in a way which will harm their chances of normalisation and of resuming a healthier, more balanced level. It would be absolutely tragic if that was the case and I am guarding against that happening.

We need to recognise that some programs which have been introduced into the system are positive, such as work on a primary care approach in which there is an opportunity for the nursing staff to build relationships with the patients. One of the characteristics of the feedback is that the environment in the hospitals is not conducive to building positive relationships between the patient who needs that care and attention and the nursing staff. We need to investigate why that is not happening as a general characteristic. Is it under staffing? Is it an ethos? Is it to do with the shifts? I do not know but if that is a characteristic of our hospitals, then it needs to be investigated. However, the response to the comments about

bodies not being found should not be to cut down the bushes in the hospital grounds. That is apparently something which has been mooted or has happened in the past 48 hours. That may not be correct; the minister may be able to say that that is not happening. However, if it is, it is symptomatic of what is going wrong. It is not a question of cutting down the bushes so the environment is even worse for the patients; it is about having appropriate security, lighting and so on. Already there is a genuine fear that these things will happen as a knee-jerk reaction. That is why the Government should indicate its response to the call for an inquiry.

One concern - perhaps it is not a matter for the Minister for Health, but this is a good opportunity to raise it - relates to the delay in the coroner producing his report on a number of the cases. That has caused enormous grief for these families. In these instances, that should not happen. The reasons for the delays in the coroner giving his response should be investigated, but not as part of the inquiry for which I am calling, rather in another context.

As I said earlier, the Zak family has asked the Attorney General to hold another coronial inquiry on the basis that a number of characteristics of the case were not examined. Members of that family have suffered enormously. They were not even called to identify the body. A staff member from the hospital formally witnessed the body. The mother of this young man never saw him from the time of his death, and that is a very tragic element of this case. I hope the Attorney General will give consideration to other questions relating to this case, particularly, that there are significant discrepancies between the evidence of the coroner and that collected. I do not wish to get into that individual case. I am calling on the Government to respond to what appears to be systemic problems in the mental health area.

The figures on suicide are quite appalling. I think it has been said that in a psychiatric unit, where the type of patient is more prone to self-harm and to mental disorders, we would perhaps expect the rate to be higher. That is a cop-out answer and one that cannot be used here to justify why 61 patients have committed suicide in an environment or institution that is supposed to be protecting and dealing with people with that illness. It does not make sense, cannot be justified and is an appalling circumstance.

The second part of the motion goes to the level of resources and funding. Again, the minister will probably respond by saying that the money has never been as good as it is now; that the Government has injected \$40m into mental health over the past four years; and that everything is sweet. Well, everything is not sweet. Although the figures may indicate that money has gone into institutional care, people are also moving out of that care at a rate which is disproportionate to the services on the ground in the community to support the early discharges.

Mr Barron-Sullivan: Is the member saying that the increase in funding has not had any effect?

Ms McHALE: Did I say that? I will leave it to the member to work out what I am saying. For clarification, I am saying that there are insufficient services on the ground in the community to support people who have a severe mental illness.

Mr Prince: Does the member accept there is a lack of suitably trained people?

Ms McHALE: I am saying that there is a trail of evidence to indicate that when people need emergency care and treatment of that nature, sufficient resources are not available; therefore, people who are treated better in the community end up in institutional care. They are not acute patients, but because of a lack of care they end up in inappropriate care which costs more, has its own set of problems in reacting to such -

Mr Prince: That was well documented by the task force in 1995.

Ms McHALE: If the minister knows what was well documented, it is a pity we still see these increases in the number of suicides.

Mr Prince: It takes a fair bit of time to train psychiatrists and mental health nurses. They are a special breed. It is difficult.

Ms McHALE: Is the minister saying that everything is sweet now that these things have been set in place?

Mr Prince: No; I did not say that. I just said that I know from my experience that it is difficult.

Ms McHALE: I know the minister is trying to defend the Government. The reality is that people are suffering, particularly those in rural Western Australia and Aboriginal communities, and the minister knows that very well.

Mr Prince: Yes, I do. I had charge of that for some time - I think before the member came here. There is a dearth of psychiatrists worldwide.

Ms McHALE: The problem is that the minister is focussing on psychiatrists.

Mr Prince: No. I meant the mental health nurses.

Ms McHALE: A whole raft of services could be provided that do not require psychiatrists - that one-to-one care - but the community development model is not there and it must be.

Mr Prince: It is there, but it is slow to get the requisite trained people.

Ms McHALE: There is ample opportunity for that. I come back to some of the problems at the Graylands facility. Let us look at the annual report of the Council of Official Visitors, which lists a number of concerns. The minister has also confirmed that in some instances these people require secure beds, but they are not available for them. I will tell members about some of the problems as a result of insufficient bed numbers. They include placing additional beds in already

crowded or less than ideal rooms, resulting in restrictions to privacy and a lack of facilities for storing belongings. The hospital has had to convert lounge rooms, seclusion rooms and other rooms to bedrooms in secure cases. Patients are required to remain in closed wards when ready for a transfer to open wards, due to the lack of beds.

The Government closed beds at the Graylands Hospital on the basis that beds were to be available at the Joondalup facility. In general terms, the figures for the patients from the Joondalup area, who were in the Graylands Hospital, declined when the Joondalup facility first opened, but now they are rising again. Having closed beds on the pretext that the Joondalup facility will take the people, those Joondalup patients now appear to be coming back to the Graylands Hospital, and that must be investigated.

I will just clarify where the difficulties are. A Government that is serious about dealing with mental health must look at these issues. There are difficulties for Aboriginal groups, those living in rural remote areas, and those who experience mental health emergency in accessing services. Yet, the psychiatric emergency teams - PET - are restricted. It is possibly too soon to tell whether that has had a bad effect but the general view is that the decentralisation of the psychiatric emergency teams has reduced the services that are available in an emergency and people who have experienced sexual abuse find accessing services difficult, and so on. Therefore, member for Mitchell, I am not standing on my feet to say that no money has been put into the system. I am saying that money is not being properly directed and I question where all the money has gone if \$40m has in fact gone into the system.

Mr Prince: Yes, it has.

Ms McHALE: A range of services that is not being provided is urgently needed, accommodation being one. Carer support for family members who are actually coping with a person who has a severe mental illness is urgently required. One of the difficulties for a person with a mental illness is finding employment. There is, therefore, a need for programs which facilitate re-entry into the workplace. These are the types of programs that are needed together with consumer advocacy, consumer participation and general advocacy services. Governments sometimes shy away from providing these kinds of services because they are confronting and lead to a greater focus on what is needed. It is well known, for instance, that there is a dearth of information for patients on their rights when they enter Graylands. A brochure may well be provided to them but a patient admitted in a disorientated state needs more than a brochure. That is a minor example; however, it typifies many of the problems that exist.

Because I am keen for the Government to respond, I may stop at this stage and exercise my right of reply. I bring back the discussion to the following point: The cases that we heard about were not one-off cases but, rather, part of a pattern in society that has been increasing over the years. That is not acceptable in a caring society. The families of those involved are now demanding an inquiry. I want to know whether the Government is willing to undertake an inquiry and whether it is prepared to extend the inquiry to investigate other in-patient institutions or whether it will continue to dismiss the call for an inquiry.

Finally, it would be helpful to those who fear a more punitive response to be assured that the developments that have occurred will continue and that patients will not be subjected to a more punitive, restrictive regime.

MRS HODSON-THOMAS (Carine - Parliamentary Secretary) [6.43 pm]: On behalf of the minister and members on this side of the House, I extend my sympathy and compassion to the families who have lost their loved ones in such tragic circumstances. I also extend sympathy on behalf of all of the people working in the mental health system and the services. They, too, have shared the same feelings as we do for all the families affected by these tragedies. It is natural for all families to ask why their son or daughter has suicided and to question the system of care that appears to have failed them. Unfortunately, it is not always possible to answer the question of why a young person would choose to take his or her life. It is possible to look at the circumstances surrounding the death but it is almost impossible to understand what caused a person to take his or her life. This always makes it very hard for those grieving, especially parents, who naturally expect that a child will outlive them and that a young person with his life ahead of him has everything to live for. I also have experience of a member of my family who committed suicide. I therefore feel for people who find themselves in these circumstances.

The Government has in place measures to constantly review the system; for example, coronial inquests, management reviews conducted at Graylands, regular external scrutiny of care at Graylands and other authorised facilities. The coroner fully investigates suspected suicides through coronial inquests, including the contribution that the system of care may have made. In two deaths at Graylands for which inquiries have concluded, the coroner reported no deficiency in the care, treatment or supervision provided by Graylands. It appears from her comments that the member for Thornlie lacks faith in the coroner or the coronial system. After every death in Graylands a management review is conducted in order to assess the risk of future deaths. Changes have been made; for instance, since 1997 patrols of the grounds and perimeter have been improved and bushes have been cut down - certainly not in the past 48 hours - to make it easier to see what is happening. A balance was kept between pleasant gardens and easier visual security, physical alterations to minimise the opportunity for suicide were made and in-service training for staff on suicide risk has also been implemented.

Ms McHale: When were they done?

Mrs HODSON-THOMAS: Certainly since 1997, as I just said.

Ms McHale: Since then there have been 25 suicides.

Mrs HODSON-THOMAS: I will continue my remarks. In-service training for staff on suicide risk and increased one-to-

one special nursing for high risk patients have been instituted. The additional recurrent costs of these measures is approximately \$140 000 a year, of which \$90 000 has gone into one-to-one special nursing. Graylands also has a very close relationship with the police. If a person is missing, Graylands immediately notifies relatives and the police and searching begins. Regular external contact with patients in Graylands and other authorised facilities occurs in addition to Graylands administrative and clinical decisions being open to review. The Council of Official Visitors regularly visits and reports to the minister on conditions at Graylands. I recently attended Fremantle Hospital with the Council of Official Visitors so I know the kind of work performed by the council. Patients are able to talk about any topic with the Council of Official Visitors and the council will pursue any matter on their behalf. Involuntary patients may appeal their status to the Mental Health Review Board and the board routinely reviews the need for involuntary status. In addition, the Office of Health Review is available should any patient or family member be dissatisfied with the resolution of a grievance by management. The Ombudsman may also conduct an investigation of any administrative decision and the Office of the Chief Psychiatrist is responsible for the standards of clinical care and can investigate any matter related to the treatment of patients. The Mental Health Law Centre is also available to assist patients. It is important to acknowledge that certain patients are at elevated risk of suicide. Those admitted to Graylands or other psychiatric hospitals are experiencing an acute episode of illness and are extremely vulnerable, which is an important point.

I refer to some research conducted by D'Arcy Holman, a University of Western Australia professor of public health, who found that most suicides by people treated for mental illness occur within the first four to six weeks after discharge. The member for Thornlie touched on that point. The recovery phase from an acute episode is difficult for the person and the clinician. The clinician must make a judgment about the degree of freedom a person is ready for in circumstances over which the clinician does not have complete control. A person recovering from an acute episode can be set back by unpredictable and sometimes seemingly minor events, such as an argument with a family member or a friend. Professor Holman's research looked at suicide by psychiatric patients between 1980 and 1995, during which time the total number of patients who suicided was 943. The number of people treated by mental health services in that 15-year period was 52 190, of whom 1.8 per cent suicided. Although it is a low proportion of the total number of patients treated, it indicates how difficult it is to identify precisely who is at risk. Most suicides occur when a person is not under direct care. Of the 24 deaths at Graylands over the past three years, 10 occurred at hospital and the rest occurred when people were on leave or away from the premises.

The Metropolitan Mental Health Service introduced a policy during 1999 that all persons discharged from in-patient treatment were to have contact within five days by the community mental health service which assumed responsibility for their care. The clear intent of this policy is to reduce the number of suicides which occur after discharge. The existing systems, especially the coronial system, are in place to investigate unusual deaths, although I wonder whether an inquiry would relieve the grief of a family or answer the unanswerable.

In my role as Chair of the Ministerial Advisory Council on Mental Health, I take all the matters raised by the member seriously. In terms of funding for mental services, I remind members that a Ministerial Task Force on Mental Health was established in 1996 by the member for Riverton when he was Minister for Health. It was established to make recommendations to improve services for people suffering mental illness. At the same time, the Health Department produced a report entitled "Making a Commitment: The Mental Health Plan for Western Australia". The priorities for reform were the need to allocate substantially greater resources to mental health; an identifiable mental health service structure within the Western Australian health system; modern health legislation giving appropriate protection to the rights of patients; as well as the development of a comprehensive range of community based mental health services. The reform is not over, it is ongoing.

This development highlights the Government's ongoing commitment to mental health. In terms of specific reforms, the State Government, as the member opposite acknowledged, committed an additional \$40m over a three-year period for the mental health reform process. This is equivalent to \$20m of recurrent funding overall, and a further \$47m was committed over five years to building programs to support the reforms. Throughout the three years of the additional funding, the mental health program has been quarantined so the money is not taken up by any other components of the health system.

Another part of the reform was the formation of the mental health division, which has responsibility for statewide policy development, broad strategic statewide planning, investing in or purchasing services and managing a variety of statutory responsibilities. The general manager of the division is also the Chief Psychiatrist of the State.

Next Step, the former Alcohol and Drug Authority, was split into this Western Australian drug and alcohol office and health related services. Policy and planning for these health-related services was transferred to the mental health division. It is important that Next Step be linked closely with mental health as dual diagnosis is a major issue for many people who suffer mental health disorders as many also suffer from alcohol and drug problems.

The Mental Health Act 1996 imposes a number of safeguards for people with a mental illness to ensure that their rights are fully protected. At the same time, these people can receive the care and treatment they require in the least prescriptive setting. Involuntary patients are able to be treated not only in an authorised hospital, but also in the community under a community treatment order, thus minimising unnecessary hospitalisation. The Act also established the Mental Health Review Board and the Council of Official Visitors. Patients are entitled to written and verbal information about their legal status, and to obtain copies of orders made about them. Patients can ask the board to review their case and care. They can have a visit from the Council of Official Visitors, and can make complaints to hospital authorities, the Council of Official Visitors or even the Chief Psychiatrist. Patients can obtain a second opinion from another psychiatrist. Patients can have a person of choice with them when discussing their treatment with their psychiatrist, and can obtain legal advice. Patients

are provided with a list of phone numbers and addresses of people whom the patients can contact regarding any of the matters outlined above.

Mental health services have been structured on a regional basis to enable strategic mental health service planning and purchasing. After the first two years of the reforms, a 23 per cent increase occurred in staffing.

Ms McHale: You will probably not leave me time to reply. Will the Government have an inquiry or not?

Mrs HODSON-THOMAS: Can I just finish my remarks?

Providing services in the community will increase accessibility and reduce the stigma and encourage the inclusion of people with mental health difficulties into the mainstream community. This process is part of the philosophy to place people in hospital only when very unwell and in need of a short, intensive period to stabilise their illness.

Community support services provided through the non-government sector also have been significantly expanded. Western Australia allocates a larger proportion of its mental health budget to this sector than that provided in any other State in Australia. The main focus has been the extension of supported accommodation, about which the member opposite spoke.

I now refer to options for people with serious psychiatric disabilities. As well as crisis and respite care, programs have been established to prevent unnecessary hospitalisation by supporting people while they are able to maintain their housing, and by allowing discharge from hospital for people who still need to find housing. This Government has provided many positive initiatives in the area of mental health, and it is working towards a funding mix of 50 per cent to community services and 50 per cent to in-patient services. Significant progress to date has been made towards achieving this mix. The community services in Western Australia in 1998 and 1999 received 39.6 per cent of the total state mental health services funding, which compares with 26.3 per cent in 1992 and 1993.

[Leave granted for speech to be continued at a later stage.]

Debate thus adjourned.

House adjourned at 7.00 pm

Questions and answers are as supplied to Hansard.

- (1) The Minister for the Environment has agreed that the motor sport facility can proceed subject to a number of conditions. The WA Planning Commission has advised the WA Sports Centre Trust of various issues relating to the development of the facility.
- (2) Tenders have been called for the construction of the facility.
- (3) Sixteen million dollars has been budgeted for the construction.
- (4)-(5)

Drag Strip	
Drag Racing: 10 days per year	2 with 10,000 to 15,000 spectators
	4 with 6,000 to 8,000 spectators
	4 with 3,000 to 6,000 spectators
Street Car event: 10 days per year	1,000 to 2,000 spectators
Street Car event (small muffled cars)	30 days per year with 400 to 600 spectators
Speedway	
Major events: 26 days per year	2 with 10,000 to 15,000 spectators
	4 with 6,000 to 8,000 spectators
	15 with 3,000 to 6,000 spectators
	5 with 1,000 to 3,000 spectators
Winter speedway: 7 days per year	500 to 1,000 spectators at each event.

- (6) The Western Australian Sports Centre Trust will administer the facility.
- (7) Details of the expected revenues to be generated are still being finalised by the Trust and the operators. A licence fee to be charged by the Trust will be calculated, taking into account the revenue generated and the running costs.
- (8) The Sports Centre Trust will issue a licence to Claremont Speedway and Ravenswood Raceway to operate from the facility.

GOVERNMENT CONTRACTS, IN EXCESS OF \$50 000

1158. Mr BROWN to the Premier; Treasurer; Minister for Public Sector Management; Federal Affairs:

- (1) How many contracts of \$50,000 or more (excluding employment contracts) has each department and agency under the Premier's control entered into between 1 August and 30 September 1999?
- (2) What was the amount of each contract?
- (3) What is the name of each person/entity with whom the contract has been entered into?
- (4) What is the nature of the work or service required by the contract?
- (5) What is the completion date of each contract?

Mr COURT replied:

I am advised that :

Ministry of the Premier and Cabinet

Office of the Director General

(1) One

(2)-(5) 303 Advertising Pty Ltd

Engagement ceiling of \$50,000

Supplier selected from Contract and Management Services Common Use Contract for the provision of public relations, marketing and marketing communications services.

Engagement end date – 10/12/1999

Graffiti Program

(1) One Contract.

(2) \$55,000

(3) Mission Australia, Perth City Mission

(4) Provision of an Urban Art programme

(5) September 2000, with provision for a further 2 extensions of 12 months each.

Treasury

(1) Two.

(2) (a) \$186,013.60.

(b) \$78,993.99.

(3) (a) Mastercare Property Services.

(b) Stork Electrical.

(4) (a) Cleaning of commercial offices (Dumas House, West Perth).

(b) Installation of emergency/exit lighting in Bunbury Tower.

(5) (a) 1 August 2000 (with two 12 month options thereafter).

(b) The work is expected to be completed by the end of February 2000.

Anti-Corruption Commission

(1) One.

(2) \$201,530.

(3) Topline Partitions and Interiors.

(4) Fitout alterations mainly to Level 10, 66 St George's Terrace.

(5) 29 October 1999.

Gold Corporation

(1) Two.

(2) (a) \$80,600

(b) \$684,775

(3) (a) Blue Star Products Pty Ltd

- (b) The Cox Group
- (4) (a) Manufacturing of wooden presentation cases to house coins.
(b) Architectural services and consultant fees.
- (5) (a) 30 November 1999.
(b) April 2001.

SWAN RIVER, POLLUTION BY INDUSTRIES

1196. Mr BROWN to the Premier:

- (1) Did the Premier forward a letter to the Member for Bassendean dated 14 October 1999 concerning the possible pollution of the Swan River?
- (2) If so, did the Premier say in that letter that he had been advised that the Waters and Rivers Commission will inspect industries in the area to ensure that they are not discharging pollutants into the river?
- (3) Is the inspection to be carried out on a range of industries in various suburbs?
- (4) If so, what -
(a) suburbs; and
(b) industries,
are to be inspected?
- (5) When will the inspection occur?
- (6) Will there be a report on the inspection?
- (7) When is it anticipated the report will be available?
- (8) Will a copy of the report be publicly available?
- (9) If so, when is it expected to be publicly available?
- (10) If not, why not?

Mr COURT replied:

- (1)-(10) As you are aware a letter was forwarded to you on 14 October 1999 concerning the possible pollution of the Swan River. In this letter it said that the Water and Rivers Commission had advised that they will inspect industries in the area to ensure that they are not discharging pollutants into the river. An inspection was carried out on industries in the Ellenbrook and Bullsbrook area. This inspection was completed in November 1999 and an internal report was completed in December 1999. There are commercial and business sensitivities involved in making the report publicly available, however, the Water and Rivers Commission is prepared to make the report available to you on the condition that businesses concerned are in concurrence.

GOVERNMENT VEHICLES, MATRIX GROUP LTD'S CONTRACT

1234. Mr RIPPER to the Treasurer:

I refer to the Government's vehicle fleet contract with Matrix Group Limited and ask -

- (a) what was the annual cost to Government to service the loans associated with the Government vehicle fleet prior to the decision to sell the fleet;
- (b) what is the annual cost to the Government in the leasing arrangement with Matrix Group Limited; and
- (c) what is the guaranteed rate of return to the investors of the funding arrangement?

Mr COURT replied:

- (a) Prior to the commencement of the fleet funding facility there did not exist a clear central record of the total number of vehicles owned by the government, or of how they were funded or managed. In many instances, there was only limited effective control exercised over the management of the fleet, including such matters as the appropriateness of the vehicles chosen and the accessories applied to them, the cost implications of vehicles being poorly treated, the period for which each vehicle was retained, and how and when they were returned for sale. As a consequence, the State incurred unnecessary costs. The clear accountability structure of the fleet funding facility has made these issues much more transparent and has strongly focused agency attention on the need for effective management of their fleet assets.
- (b) The lease rents paid by agencies for vehicles under the fleet funding facility, over the twelve months to February 2000, was \$36.8 million.
- (c) The rate of return achieved by investors will depend on their separate taxation circumstances.

GOVERNMENT VEHICLES, COSTS AND ADMINISTRATION

1262. Mr RIPPER to the Treasurer:

- (1) I refer to the Government vehicle fleet and ask, will the Minister provide the following information -
 - (a) the average monthly cost of vehicle modifications and accessories;
 - (b) the average monthly cost of fuel;
 - (c) the average monthly cost of repairs and maintenance; and
 - (d) the average monthly costs associated with the sale of the vehicles?
- (2) How many Government employees are utilised to administer and manage the State's obligations in relation to the vehicle fleet contract?
- (3) What is the cost of this?

Mr COURT replied:

- (1)
 - (a) The cost of vehicle modifications and accessories is, on average, about \$1,308 for each new vehicle delivered. This is comprised of an average \$677 for passenger vehicles and \$2,803 for light commercials;
 - (b)-(c) The costs of fuel, repairs and maintenance are paid by individual agencies via their fleet managers, and records of them are not centrally maintained;
 - (d) The average cost of disposal through the auction process over the six months to February 2000 was about \$150 per vehicle.
- (2) Management of the fleet funding contract absorbs about 2.5 FTEs on average.
- (3) The annual salary cost is around \$152,900.

ONSLOW, CYCLONE DAMAGE

1280. Mr BROWN to the Premier:

- (1) When the Premier visited Onslow earlier this year did he give certain assurances to Onslow residences about the Government fixing the damage caused by cyclone Vance?
- (2) Did the Premier make any assurances about replacing any or all of the palm trees damaged through the cyclone?
- (3) If so, what commitments were made by the Premier in that regard?
- (4) Did the Premier make any commitments to the people of Onslow during his visit, about the Government meeting the costs of "fixing the problem"?
- (5) What assurances did the Premier give the people of Onslow in this regard?

Mr COURT replied:

- (1)-(5) When the Premier was in Onslow he said that he would like to see residents assisted in the recovery of their gardens and clean up. The Water Corporation provided a total of \$15,000 to residents of Onslow along with 20,000 litres of water to assist the residents. The Water Corporation has advised the residents that it does not have legal responsibility for damage suffered.

ONSLOW, COMPENSATION FOR FLOODING

1281. Mr BROWN to the Premier:

- (1) Has the Premier been invited to attend a meeting of Onslow residents to discuss the sea wall/bund and the seawater flooding that occurred during cyclone Vance?
- (2) When was the last occasion the Premier was invited to attend such a meeting?
- (3) Does the Premier intend to attend a meeting with Onslow residents to discuss the seawater flooding that occurred during cyclone Vance and appropriate compensation/restitution that should be made by the Government?
- (4) If so, when does the Premier intend to make himself available to attend such a meeting?
- (5) If not, why not?

Mr COURT replied:

- (1)-(5) I have met with local representatives on this issue, on site, and as a consequence I had the Hon Minister for Water Resources follow the issue through. A representative from the Water Corporation met with affected residents and the Shire of Ashburton to discuss the flooding in Onslow resulting from Cyclone Vance. The Shire of Ashburton is investigating the total protection of Onslow by reviewing the design of the existing sea wall and the bund wall. In discussions with Rod Sweetman, Member for Ningaloo, it has been agreed that the Water Corporation would not undertake further repairs until the Shire has indicated the extent of the overall works required. There is some

suggestion that the bund and sea wall may have to be raised in height and the Corporation will proportionally contribute to the work that has to be undertaken. While not admitting liability, the Corporation has forwarded cheques of \$500.00 to each affected resident and provided a 20 kilolitre free water allowance to assist with the re-establishment of gardens.

RESOURCE DEVELOPMENT PROJECTS, LOCAL CONTENT LEVELS

1296. Mr BROWN to the Minister for Resources Development:

- (1) Will the Minister advise how the Local Content Policy is now being monitored and what records are being maintained with respect to details provided by project developers?
- (2) Will the Minister provide details of the levels of local content in the following projects -
 - (a) Stag;
 - (b) Griffin;
 - (c) Wandoo;
 - (d) Laminaria;
 - (e) Cawse;
 - (f) Bulong;
 - (g) Murrin Murrin;
 - (h) CSBP Ammonia (Kwinana);
 - (i) Cossack Pioneer Upgrade;
 - (j) Woodside Engineering Contract 4th and 5th Train;
 - (k) Bell Tower Project;
 - (l) Collie Power Station; and
 - (m) Windimurra?
- (3) What new projects are being proposed for start up in the next 12 months and what will be their Australian content level and capital expenditure?

Mr BARNETT replied:

- (1) Local Content is monitored by the appropriate project managers within the Department of Resources Development and details are provided by project developers to the Department.
- (2)

	% L.C.
(a) Stag	44
(b) Griffin	60
(c) Wandoo	80
(d) Laminaria	32
(e) Cawse	90
(f) Bulong	90
(g) Murrin Murrin	90
(h) CSBP Ammonia (Kwinana)	Not available
(i) Cossack Pioneer Upgrade	30
(j) Woodside Engineering Contract 4th and 5th Train	Not available
(k) Bell Tower Project	Not known
(l) Collie Power Station	63
(m) Windimurra	92
- (3) There are a number of projects that may proceed in the next 12 months depending on a range of factors including market conditions, financing and structural arrangements and relevant approvals. Until a firm commitment is made to such projects, it is difficult to speculate about capital cost and expected Australian content. I refer the Member to the latest copy of the Department of Resources Development's "Prospect" magazine for a broad list of projects that are under consideration.

RESOURCE DEVELOPMENT PROJECTS, CAPITAL EXPENDITURE AND LOCAL CONTENT

1299. Mr BROWN to the Minister for Resources Development:

- (1) What efforts have been made by the Minister to attract new development projects to Western Australia?
- (2) What projects are currently being managed by the Department of Resources Development and what is the capital expenditure and local content level of each project?
- (3) How does the Minister propose to create new jobs in the next six to 12 months and how many of these will be permanent positions (in the resource sector)?
- (4) Why doesn't the Minister seek to increase benefits to the wider community by expressing a desire to developers to allocate more work to Western Australian companies?
- (5) What projects will be carried out at the proposed Jervoise Bay facility when it is completed?

Mr BARNETT replied:

- (1) The Department of Resources Development (DRD) is constantly working to attract new projects to Western Australia, including successful visits to the People's Republic of China by myself and the Hon. Premier in regard to LNG developments based on the gas reserves of the North West Shelf. These visits were reciprocated by the

recent visit to Australia by President Jiang Zemin of the People's Republic of China. In addition, I recently visited California, Texas and Michigan in the USA on the same mission. The Government has also taken significant steps to open up the Mid West Region by providing commitments to port facilities at Oakajee and a gas pipeline to Windimurra.

- (2) The Department of Resources Development is coordinating the Government interface with a wide range of proposed projects in various stages of development. Until a firm commitment is made to such projects by the developers it is only possible to speculate about the capital cost and expected Australian content. I refer the Minister to the latest copy of the Department of Resources Developments "Prospect" magazine for a broad list of projects under consideration.
- (3) New jobs will be created as investor confidence returns and markets for Western Australia's commodities improve.
- (4) The benefits from resource projects flow to the Western Australian community through economic activity and a significant part of the activity occurs at the construction phase of projects. This is why the Government's Local Content Policy, the Agreement Act mechanisms and support for the ISO(WA) are used to promote the use of local suppliers by project developers.
- (5) The Jervoise Bay facility is basic infrastructure for industry and will provide a platform from which local companies will be able to bid for project work. Without the facility, local companies will not be able to bid on major projects at all.

GOVERNMENT DEPARTMENTS AND AGENCIES, BAD DEBTS

1472. Mr RIPPER to the Premier; Treasurer; Minister for Public Sector Management; Federal Affairs:

- (1) What is the amount of bad debts written off for each department and agency within the Premier's portfolio in 1998-99?
- (2) Were any of these debts above \$10 000, and if so, what is the name of the person or company who owed the debt?

Mr COURT replied:

I am advised that :

Ministry of the Premier and Cabinet

- (1) \$5.
- (2) Not applicable.

Gold Corporation

- (1) \$1,409 (One thousand, four hundred and nine dollars only).
- (2) No.

Treasury;
Government Projects Office;
Anti-Corruption Commission;
Governor's Establishment;
Office of the Public Sector Standards Commissioner;
Office of the Auditor General; and
WA Treasury Corporation

- (1) Nil.
- (2) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, BAD DEBTS

1478. Mr RIPPER to the Minister for Planning; Employment and Training; Heritage:

- (1) What is the amount of bad debts written off for each department and agency within the Minister's portfolio in 1998-99?
- (2) Were any of these debts above \$10 000, and if so, what is the name of the person or company who owed the debt?

Mr KIERATH replied:

The following response was correct as at 14 January 2000:

PLANNING:

Ministry for Planning and Western Australian Planning Commission

- | | | |
|-----|--|-----------|
| (1) | Ministry for Planning | \$2 979 |
| | Western Australian Planning Commission | \$170 596 |

- (2) Four of these debts were above \$10 000 but were for assets and publications, not individual people or companies.

Office of the Minister for Planning (Appeals)

- (1) Nil.
- (2) Not applicable.

East Perth Redevelopment Authority

- (1) Nil.
- (2) Not applicable.

Subiaco Redevelopment Authority

- (1) Nil.
- (2) Not applicable.

EMPLOYMENT AND TRAINING:

Western Australian Department of Training and Employment

- (1) \$69 156
- (2) Demayer Pty Ltd (\$11 489)

Central Metropolitan College of TAFE

- (1) \$123 502
- (2) No.

West Coast College of TAFE

- (1) \$19 503
- (2) No.

South East Metropolitan College of TAFE

- (1) \$38 870
- (2) No.

South Metropolitan College of TAFE

- (1) \$82 925
- (2) No.

Midland College of TAFE

- (1) \$5 190
- (2) No.

South West Regional College of TAFE

- (1) \$17 260
- (2) No.

Great Southern Regional College of TAFE

- (1) \$11 544
- (2) No.

Central West Regional College of TAFE

- (1) \$21 999
- (2) No.

Eastern Pilbara College of TAFE

- (1) \$109 583
- (2) No.

Karratha College of TAFE

- (1) Nil.
- (2) No.

Kimberley College

- (1) \$733
- (2) No.

HERITAGE:

Heritage Council of Western Australia

- (1) Nil.
- (2) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, REGIONAL PURCHASING COMPACT

1494. Mr BROWN to the Premier; Treasurer; Minister for Public Sector Management; Federal Affairs:

- (1) Does the Government have a policy commitment towards ensuring that Government work in the regions is allocated in a way that provides the best economic advantage to the region?
- (2) Does the Government endeavour to fulfil that commitment through its Regional Purchasing Compact?
- (3) If not, in what way does the Government seek to fulfil that commitment?
- (4) Does each department and agency under the Premier's control take steps to ensure that as much of the work it has in regional areas is allocated in the way which benefits such regional areas?
- (5) Does each agency and department under the Premier's control strictly comply with the Regional Purchasing Compact and particularly the preference for regional businesses as provided for under that compact?

- (6) Is the Premier aware of any cases where any department or agency under the Premier's control has not complied with the Regional Purchasing Compact?
- (7) If so, what were the circumstances of that non-compliance?
- (8) Are there any Government departments or agencies under the Premier's control that are exempt from the Regional Purchasing Compact, and if so why?
- (9) Is it true that at least one or more of the departments or agencies under the Premier's control has not complied with the Regional Purchasing Compact when allocating a contract due to the additional costs of applying the preference arrangement?

Mr COURT replied:

- (1)-(5) The Regional Buying Compact is a Government policy that all agency Chief Executives must implement within their purchasing and contracting activities. The Compact outlines the obligations on CEO's to comply with the objective of supporting regional economic development.
- (6)-(7) The Government, through its agencies, awards many contracts throughout the State. If the member is aware of any case where the Compact has not been complied with, more specific details should be provided to the appropriate Minister.
- (8) The Compact applies to all Government agencies.
- (9) See question 6 and 7.

GOVERNMENT DEPARTMENTS AND AGENCIES, CONTRACTS AGGREGATED IN REGIONAL AREAS

1516. MR BROWN to the Premier; Treasurer; Minister for Public Sector Management; Federal Affairs:

- (1) Since 1 July 1997, have there been any occasions when departments and agencies under the Premier's control have aggregated or bulked up Government contracts let for work to be carried out in regional Western Australia?
- (2) Is it true that one or more departments or agencies under the Premier's control have preferred to aggregate or bulk up a number of smaller contracts into one larger contract for ease of administration or some other reason?
- (3) If not, will the Premier advise if any department or agency under the Premier's control has aggregated or bulked up a number of smaller contracts to one large contract for administrative or other reasons?
- (4) Is the Premier aware that some small regional based contractors have been unable to secure work as a consequence of only large contracts being let?
- (5) What steps does the Premier intend to take to ensure that regionally based contractors are not excluded from obtaining Government work as a consequence of contracts being aggregated or bulked up?
- (6) Will the Premier issue instructions to all departments under the Premier's control confirming that contracts are not to be bulked up or aggregated so that small business and small business contractors are not excluded (by virtue of size) from obtaining Government work in their region?
- (7) If not, why not?

Mr COURT replied:

- (1)-(4) The Government, through its agencies, awards many contracts. The structure of contracts is a matter for agency Chief Executives, who are best placed to consider how to achieve their agency's outcomes efficiently and effectively. The Government's *Regional Buying Compact* illustrates our commitment to regional Western Australia by giving regional suppliers an enhanced opportunity to bid for government contracts. The compact compels government agencies to give a level of financial preference to "local" suppliers in regional areas and educates those suppliers on how to take advantage of preferences available. Under the Government's Regional Buying Compact, agencies have an obligation to consider the key principles of the Compact, which include matters dealing with competition, packaging of work, value for money, devolution and the social implications of their decisions.

The matters raised by the member will need to be considered on a case-by-case basis, and if the member has a specific case, this can be examined by the responsible Minister. The State Supply Commission recently issued a note to all "CEO's", titled "Are You Doing Enough" to remind them of their obligations under the Compact and how best to achieve the Government's objectives. The Regional Buying Compact has a grievance process, which can be accessed by contractors who have concerns with the application of the Compact by agencies. These concerns should be directed to the State Supply Commission.

- (5)-(6) The State Supply Commission is reviewing the effectiveness of the Regional Buying Compact. The Commission is developing a new policy to improve opportunities for regional suppliers to bid for government contracts which is designed to promote competitive local industry.
- (7) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, REGIONAL PURCHASING COMPACT

1544. Mr BROWN to the Minister for Planning; Employment and Training; Heritage:

- (1) Is the Minister aware of the Regional Purchasing Compact?
- (2) Is the Minister also aware that large contracts have been awarded to city based contractors as a consequence of such contractors being able to obtain the regional preference arrangements under the Regional Purchasing Compact?
- (3) Is the Minister also aware that regional based businesses have been unsuccessful in obtaining work as a consequence of the preference being available to city based contractors?
- (4) Does the Minister and the Government have a commitment to expanding the opportunities for regionally based businesses and improving the level of economic activity in the regions through the allocation of regional Government work to regional businesses?
- (5) If so, what steps does the Minister intend to take to ensure that the opportunities for regionally based businesses are expanded?

Mr KIERATH replied:

The following response was correct as at 22 February 2000:

- (1) The Government's policy document is the Regional Buying Compact
- (2)-(3) The Government, through its agencies, awards many contracts in the State and if the member is referring to a specific contract, more information should be submitted to the responsible Minister. Under the Compact, the price preference is available to those contractors and suppliers having a permanent office and staff located within one of the regional zones prescribed under the policy. For contractors outside the zone, a preference is also available for the use of regionally based suppliers of goods and services. The goods and services bought should always represent value for money and also satisfy other relevant criteria such as conformance to technical specification.
- (4)-(5) The Government is committed to increasing the level and range of buying sourced in regional areas. The State Supply Commission is reviewing the effectiveness of the *Regional Buying Compact* and will soon advise Government on how to enhance the opportunity for regional suppliers to successfully bid for government contracts.

GOVERNMENT DEPARTMENTS AND AGENCIES, LEGAL ADVICE

1619. Mr KOBELKE to the Premier; Treasurer; Minister for Public Sector Management; Federal Affairs:

For each individual agency or department for which the Premier is responsible, what was for 1997-98, and 1998-99 -

- (a) the total amount spent on legal advice;
- (b) the name of each provider of that legal advice;
- (c) the amount paid to each provider of legal advice; and
- (d) the service for which the payments were made?

Mr COURT replied:

I am advised that :

Ministry of the Premier and Cabinet

(a)	1997/98 - \$271,707		
	1998/99 - \$157,913		
		1997/98	1998/99
		\$	\$
(b)-(c)	Freehill Hollingdale and Page	224,635	101,343
	Minter Ellison	1,278	7,501
	Hunt and Humphry	7,950	nil
	Zelestis C L	8,400	nil
	Ministry of Justice/Crown Solicitors	25,742	49,069
	Jackson MacDonald	1,202	nil
	Commonwealth Department of Public Works & Housing	2,500	nil

- (d) Payments were made for various consultations, advice and legal opinions.

Treasury

- (a) 1997-98 \$509
- 1998-99 \$10,352
- (b) 1997-98 Crown Solicitor's Office
- 1998-99 Crown Solicitor's Office
- Australian Government Solicitor
- Freehill, Hollingdale and Page
- Skea Nelson and Hager
- Deacons Graham and James

- (c) 1997-98 Crown Solicitor's Office \$509
 1998-99 Crown Solicitor's Office \$2,373
 Australian Government Solicitor \$4,752
 Freehill, Hollingdale and Page \$966
 Skea Nelson and Hager \$636
 Deacons Graham and James \$1,625
- (d) 1997-98 Crown Solicitor's Office – routine legal advice in respect to legislative, trust accounts and other matters.
 1998-99 Crown Solicitor's Office – routine legal advice in respect to legislative, trust accounts and other matters.
 Australian Government Solicitor – advice following Allders High Court decision on ability to impose State taxes on businesses operating on Commonwealth places.
 Freehill, Hollingdale and Page – legal advice relating to standard lease draft.
 Skea Nelson and Hager – withdrawal of caveats.
 Deacons Graham and James – withdrawal of caveats.

Government Projects Office

- (a) 1997-98 \$ 6,243.74
 1998-99 \$43,759.49
- (b) 1997-98 Freehill, Hollingdale & Page
 Minter Ellison
 Ministry of Justice
 Jackson McDonald
 Parker & Parker
- 1998-99 Clayton Utz
 Freehill, Hollingdale & Page
 Minter Ellison
 Jackson McDonald
 Ilberry Bartlett
 Ministry of Justice
- (c) 1997-98 Freehill, Hollingdale & Page - \$ 3,538.59
 Minter Ellison - \$ 1,044.90
 Ministry of Justice - \$ 218.50
 Jackson McDonald - \$ 740.30
 Parker & Parker - \$ 701.45
- 1998-99 Clayton Utz - \$ 8,868.10
 Freehill, Hollingdale & Page - \$31,501.99
 Minter Ellison - \$ 1,286.15
 Jackson McDonald - \$ 373.25
 Ilberry Bartlett - \$ 1,498.00
 Ministry of Justice - \$ 232.00
- (d) Legal advice relating to property projects.

NOTE: Although the Government Property Office existed until 30 June 1999, legal costs prior to that date have been separated into (a) work for projects and (b) works for property/leasing, and have been reported independently by the current entity. Projects are part of the Government Projects Office, and property/leasing is part of Commercial Property in the Capital and Ownership Division of Treasury.

Anti-Corruption Commission

- (a) 1997/1998 \$291,120
 1998/1999 \$ 30,305
- (b)-(c)
- | | 1997/1998 | 1998/1999 |
|---------------------|-----------|-----------|
| Jeremy Allanson | \$4,085 | \$490 |
| McDonald Rudder | \$27,593 | \$600 |
| Geoffrey Miller | \$183,500 | \$250 |
| John Chaney | \$49,650 | \$26,238 |
| Pullinger Stewart | \$25,754 | \$1,900 |
| Ministry of Justice | \$538 | \$827 |
- (d) Jeremy Allanson Professional Service, Advice
 McDonald Rudder Professional Service, Advice
 Geoffrey Miller Professional Service, Special Investigation
 John Chaney Professional Service, Special Investigation
 Pullinger Stewart Professional Service, Advice and Representation
 Ministry of Justice Legal Advice

Governor's Establishment

- (a)-(d) Not applicable.

Office of the Public Sector Standards Commissioner

- (a) 1997-98 Nil
 1998-99 \$21,875

- (b) 1997-98 Not applicable.
1998-99 Ken Pettit.
- (c) 1997-98 Not applicable
1998-99 \$21,875 to Mr Pettit
- (d) 1997-98 Not applicable
1998-99 Legal advice on:
- functions of Commissioner
 - inquiries conducted by the commissioner into:
 - WorkSafe
 - Health Department of WA
 - Main Roads WA
 - Agriculture WA

Gold Corporation

1997/98

- (a) A\$18,630.

(b)-(d)	Provider	Amount	Service
	Freehill Hollingdale and Page	\$1,893	Advice in regard to the rationalisation of Gold Corporation's refining and industrial products divisions with those of Golden West (Australasia) Pty Ltd to form the AGR Joint Venture.
	Skea Nelson	\$8,113	Advice in regard to: - the Federal Financial Reporting Act 1988; - the Second Hand Goods Act WA 1996; and - commissions to tour operators.
	Clayton Utz	\$8,624	Advice in regard to employment contracts and issues affecting individuals.

1998/99

- (a) A\$156,418

(b)-(d)	Provider	Amount	Service
	Freehill Hollingdale and Page	\$5,006 \$5,000 \$2,974 \$13,521 \$5,730	Advice in regard to Directors' Liability. Advice in regard to Security Officers' detention powers. Advice in regard to Gold Corporation's joint venture company, Perth Mint Thailand Ltd. Rationalisation of Gold Corporation's refining and industrial products divisions with those of Golden West (Australasia) Pty Ltd to form the AGR Joint Venture. Advice in regard to Gold Corporations' State Government Guarantee.
	Freehill Hollingdale and Page	\$15,427 \$44,082	Advice in regard to employment contracts and issues affecting individuals. Creation of documentation and application forms relevant to the Perth Mint Certificate Program.
	Sheppard Mullin Richter & Hampton (USA)	\$64,678. (USD41,174)	Legal due diligence to ensure compatibility of the Perth Mint Certificate Program with United States regulations.

Office of the Auditor General

- (a) Nil. Advice is provided free of charge.
- (b) Crown Law.
- (c) Not applicable.
- (d) Advice on rulings and interpretations.

WA Treasury Corporation

- (a) 1997/98 \$124,779.76
1998/99 \$213,931.14

(b)-(c)	Ministry of Justice	1997/98	\$26,975.50
		1998/99	\$39,595.00
	Jackson McDonald	1997/98	\$15,445.00
		1998/99	\$74,771.90
	Aoki Christensen	1997/98	\$14,429.49
		1998/99	\$22,766.99
	Allen & Overy	1997/98	\$29,767.98
		1998/99	\$17,136.21
	Lehman Bros	1997/98	\$38,161.79
	(Reimbursement) 1998/99	Nil	
	Credit Suisse	1997/98	Nil
	(Reimbursement) 1998/99	\$59,661.04	

- (d) Client lending agreements, borrowing documentation, general administrative legal advice and service contract advice.

GOVERNMENT DEPARTMENTS AND AGENCIES, LEGAL ADVICE

1625. Mr KOBELKE to the Minister for Planning; Employment and Training; Heritage:

For each individual agency or department for which the Minister is responsible, what was for 1997-98, and 1998-99 -

- (a) the total amount spent on legal advice;
 (b) the name of each provider of that legal advice;
 (c) the amount paid to each provider of legal advice; and
 (d) the service for which the payments were made?

Mr KIERATH replied:

The following answer was correct as at 8 February 2000:

PLANNING:

Ministry for Planning

1997/98

- (a) \$510
 (b) Land Assessment P/L.
 (c) \$510
 (d) Legal advice and advice to solicitors.

1998/99

- (a) Nil.
 (b)-(d) Not applicable.

Western Australian Planning Commission

1997/98

- (a) \$181 258
 (b) (i) Ministry Of Justice
 (ii) Mallesons Stephen Jacques
 (iii) Melsom Robson
 (iv) Ferrier Hodgson
 (v) Lenaville
 (vi) Shrapnel Urban Planning
 (vii) Martinick Management Services
 (viii) David Hedgecock
 (ix) Bedbrook Johnston
 (x) Anglo Estates
 (xi) RJ Ferguson & Assoc
 (xii) Clayton Utz
 (xiii) Land Assessment
 (xiv) Mike Maher & Assoc
 (xv) Everall Consulting Biologist
 (xvi) Uloth & Assoc
 (xvii) Belingwe P/L
 (xviii) AGC Woodward Clyde
 (xix) McLeod & Co

- (c) (i) \$119 009
 (ii) \$7 406
 (iii) \$1 696
 (iv) \$2 379
 (v) \$2 277
 (vi) \$4 560
 (vii) \$15 042
 (viii) \$900
 (ix) \$8 540
 (x) \$3 000
 (xi) \$4 125
 (xii) \$4 115
 (xiii) \$510
 (xiv) \$187
 (xv) \$1 150
 (xvi) \$2 140
 (xvii) \$900
 (xviii) \$2 603
 (xix) \$716

- (d) Legal advice and advice to solicitors.

1998/99

- (a) \$151 967
 (b) (i) Ministry Of Justice
 (ii) SILK
 (iii) Clayton Utz
 (iv) William K James Landscape

- (v) L Stein
- (vi) Mallesons Stephen Jacques
- (vii) Hely Edgar
- (viii) Melsom Robson
- (ix) C Zeletis
- (x) Taylor Burrell
- (xi) McMullen Nolan & Partners

- (c)
 - (i) \$78 996
 - (ii) \$332
 - (iii) \$7 190
 - (iv) \$10 775
 - (v) \$2 925
 - (vi) \$19 440
 - (vii) \$5 811
 - (viii) \$8 954
 - (ix) \$16 000
 - (x) \$852
 - (xi) \$690

- (d) Legal advice and advice to solicitors.

Office of the Minister for Planning (Appeals)

- (a) Nil.
- (b)-(d) Not applicable.

Subiaco Redevelopment Authority
1997/98

- (a) \$68 192

- (b)
 - (i) Hammond Worthington Prevost
 - (ii) Freehill Hollingdale & Page
 - (iii) Jackson McDonald

- (c)
 - (i) \$31 114
 - (ii) \$13 469
 - (iii) \$23 609

- (d)
 - (i) Preparation of tender documents, settlement of land following sale, preparation of miscellaneous documents and provision of miscellaneous commercial advice.
 - (ii) Preparation of land tenure agreement, covenants and easements; surrender of lease documents and advice on various lease matters.
 - (iii) Advice on preparation of tender documents for undergrounding of Subiaco railway and station.

1998/99

- (a) \$155 938

- (b)
 - (i) Hammond Worthington Prevost
 - (ii) Edwards Thompson
 - (iii) Freehill Hollingdale & Page
 - (iv) Watts & Woodhouse

- (c)
 - (i) \$45 520
 - (ii) \$751
 - (iii) \$108 751
 - (iv) \$916

- (d)
 - (i) Preparation of tender documents, settlement of land, land resumption matters, preparation of miscellaneous documents and provision of miscellaneous commercial advice.
 - (ii) Lease advice.
 - (iii) Preparation of land tenure agreement, covenants and easements, surrender of lease documents, litigation work and advice on various lease matters.
 - (iv) Advice on planning matters.

East Perth Redevelopment Authority
1997/98

- (a) \$84 998

- (b)
 - (i) Hammond Worthington Prevost
 - (ii) Minter Ellison
 - (iii) Crown Law
 - (iv) Pullinger Sanderson & Workman

- (c)
 - (i) \$68 380
 - (ii) \$14 312
 - (iii) \$519
 - (iv) \$1 787

- (d)
 - (i) General commercial legal services.
 - (ii) Advice on planning law.
 - (iii) Act amendments and interpretation
 - (iv) Debt recovery service

1998/99

(a) \$110 792

- (b) (i) Hammond Worthington Prevost
(ii) Edwards Thompson
(iii) Minter Ellison
(iv) Crown Law
(v) Malcolm McCusker QC
- (c) (i) \$77 269
(ii) \$5 571
(iii) \$23 492
(iv) \$1 960
(v) \$2 500
- (d) (i) General commercial legal services
(ii) General commercial legal services
(iii) Advice on planning law
(iv) Act amendments and interpretation
(v) Pre-trial advice over resumption valuations

EMPLOYMENT AND TRAINING:

Western Australian Department of Training and Employment

1997/98

(a) \$320 867

- (b) (i) Crown Solicitor's Office
(ii) Deacons Graham and James
(iii) Dwyer Durack
(iv) Jackson McDonald
(v) Minter Ellison
(vi) Phillips Fox
- (c) (i) \$8 735
(ii) \$331
\$1 720
(iii) \$50
(iv) \$2 464
(v) \$2 716
(vi) \$320
\$1 830
- (d) (i) Advice relating to the management of the Western Australian Vocational Education and Training System
(ii) Overseas training contract advice
TAFE International - Consultancy Contract Dispute
(iii) Advice - New Enterprise Scheme Training Course
(iv) Lease and Licensing Advice
(v) Lease Advice
(vi) Advice
TAFE International - Travel Education Packages

1998/99

(a) \$113 048

- (b) (i) Allanson Jeremy
(ii) Carol Wong
(iii) Crown Solicitor's Office
(iv) Deacons Graham and James
(v) Freehill Hollingdale & Page
(vi) Jackson McDonald
(vii) Karp and Monaghan
(viii) Minter Ellison
(ix) Murie & Edward
(x) Phillips Fox
- (c) (i) \$1 800
(ii) \$70
(iii) \$11 104
(iv) \$168
(v) \$465
\$11 760
\$1 267
(vi) \$851
(vii) \$2 279
(viii) \$2 122
\$525
(ix) \$205
(x) \$286
- (d) (i) Advice for State Training Board
(ii) Company search
(iii) Advice relating to the management of the Western Australian Vocational Education and Training System

- (iv) Overseas training contract advice
- (v) Correspondence and drafting advice
Competition Policy - Competitive Neutrality Review
Competition Policy - VET Act
- (vi) ANHUI Province Science and Technology Training Centre and Central Metropolitan College of TAFE;
Joint Chinese/Australian Education Program
- (vii) Lease advice
- (viii) Lease advice
Negotiations with Copyright Agency Ltd
- (ix) Lease advice
- (x) TAFE - Japanese student dispute

Central Metropolitan College of TAFE

1997

- (a) \$27 275
- (b) Crown Solicitor's Office
- (c) \$27 275
- (d) Advice on contracts, licences, tenders, employment and industrial matters, interpretation of legislation and delegations, prosecutions of debtors.

1998

- (a) \$23 915
- (b) Crown Solicitor's Office
- (c) \$23 915
- (d) Advice on contracts, licences, tenders, employment and industrial matters, interpretation of legislation and delegations, prosecutions of debtors.

1999

- (a) \$17 632
- (b) (i) Clayton Utz
(ii) Crown Solicitor's Office
(iii) Minter Ellison
- (c) (i) \$4 749
(ii) \$11 312
(iii) \$1 571
- (d) (i) Advice on intellectual property agreement
(ii) Advice on contracts, licences, tenders, employment and industrial matters, interpretation of legislation and delegations, prosecutions of debtors.
(iii) Advice about a lease agreement

West Coast College of TAFE

1997

- (a) \$4 539
- (b) (i) Crown Solicitor's Office
(ii) Phillips Fox
- (c) (i) \$3 834
(ii) \$705
- (d) (i)-(ii) Advice on a range of issues

1998

- (a) \$32 820
- (b) (i) Clayton Utz
(ii) Crown Solicitor's Office
(iii) Freehill Hollingdale & Page
(iv) Phillips Fox
- (c) (i) \$1 940
(ii) \$6 113
(iii) \$13 432
(iv) \$11 335
- (d) (i)-(iv) Advice on a range of issues

1999

- (a) \$17 756
- (b) (i) Clayton Utz
(ii) Crown Solicitor's Office
(iii) Freehill Hollingdale & Page
(iv) Phillips Fox
- (c) (i) \$246
(ii) \$4 377
(iii) \$5 648
(iv) \$7 485
- (d) (i)-(iv) Advice on a range of issues.

South East Metropolitan College of TAFE

1997

- (a) \$7 394
- (b) (i) Crown Solicitor's Office
(ii) Minter Ellison
- (c) (i) \$6 704
(ii) \$690
- (d) (i) Debt recovery
(ii) Training agreements

1998

- (a) \$19 681
- (b) (i) Crown Solicitor's Office
(ii) Minter Ellison
- (c) (i) \$14 889
(ii) \$4 793
- (d) (i) Debt recovery, conveyancing, policy advice, advice regarding copyright breach
(ii) Training agreements

1999

- (a) \$15 845
- (b) (i) Crown Solicitor's Office
(ii) Minter Ellison
- (c) (i) \$6 251
(ii) \$9 594
- (d) (i) Debt recovery, conveyancing, advice regarding copyright breach
(ii) Training agreements, delivery contract agreement

South Metropolitan College of TAFE

1997

- (a) \$15 924
- (b) Crown Solicitor's Office
- (c) \$15 924
- (d) Conveyancing, opinion on contractual arrangements, court costs associated with a workers' compensation issue

1998

- (a) \$2 638
- (b) Crown Solicitor's Office
- (c) \$2 638
- (d) Conveyancing, opinion on contractual arrangements

1999

- (a) \$896
- (b) (i) Crown Solicitor's Office
(ii) Minter Ellison
- (c) (i) \$209
(ii) \$687
- (d) (i) Conveyancing, opinion on contractual arrangements
(ii) Services relating to Industrial Relations

Midland College of TAFE

1997 & 1998

- (a) Nil.
- (b)-(d) Not applicable.

1999

- (a) \$36
- (b) Crown Solicitor's Office
- (c) \$36
- (d) Advice

South West Regional College of TAFE

1997/98

- (a) \$3 751
- (b) (i) Crown Solicitor's Office
(ii) Young & Young
- (c) (i) \$2 926
(ii) \$825
- (d) (i)-(ii) Advice on contractual issues

1998/99

- (a) \$11 352
- (b) (i) Crown Solicitor's Office
(ii) Young & Young
- (c) (i) \$3 790
(ii) \$7 562
- (d) (i)-(ii) Advice on contractual issues

Great Southern Regional College of TAFE

1997/98

- (a) \$1 704
- (b) (i) Crown Solicitor's Office
(ii) Halperin, Flemming, Meertens
- (c) (i) \$1 213
(ii) \$490
- (d) (i)-(ii) Lease advice

1998/99

- (a) \$893
- (b) Crown Solicitor's Office
- (c) \$893
- (d) Lease advice

Central West Regional College of TAFE

1997

- (a) \$869
- (b) Crown Solicitor's Office
- (c) \$869
- (d) Debt recovery costs

1998

- (a) \$1 651
- (b) (i) Eric E Baker
(ii) Crown Solicitor's Office
- (c) (i) \$526
(ii) \$1 125
- (d) (i) Industrial Relations Review
(ii) Debt recovery costs, College name change documents and information on public liability

1999

- (a) \$4 573
- (b) Crown Solicitor's Office
- (c) \$4 573
- (d) Debt recovery and lease documentation

Eastern Pilbara College of TAFE

1997 & 1998

- (a) Nil.
- (b)-(d) Not applicable

1999

- (a) \$2 142
- (b) Crown Solicitor's Office
- (c) \$2 142
- (d) Advice on licence agreements

Karratha College

1997, 1998 & 1999

- (a) Nil.
- (b)-(d) Not applicable.

Kimberley College

1997, 1998 & 1999

- (a) Nil.
- (b)-(d) Not applicable.

HERITAGE:

Heritage Council of Western Australia

1997/98

- (a) \$6 208
- (b) (i) Ministry of Justice
(ii) Mallesons Stephen Jaques

- (c) (i) \$5 667
- (ii) \$541
- (d) (i) Advising and Policy
- Commercial and Conveyancing
- (ii) Advising and Policy

1998/99

- (a) \$7 854
- (b) (i) Ministry of Justice
- (ii) McLeod & Co
- (c) (i) \$7 242
- (ii) \$612
- (d) (i) Advising and Policy
- Commercial and Conveyancing
- (ii) Advising and Policy

GOVERNMENT DEPARTMENTS AND AGENCIES, ANNUAL REPORTS

1644. Mr RIEBELING to the Premier; Treasurer; Minister for Public Sector Management; Federal Affairs:

- (1) For each department or agency under the Premier's control, what was the total cost of producing the 1998-99 annual report?
- (2) What was the cost of -
 - (a) artwork;
 - (b) publication;
 - (c) distribution; and
 - (d) writing?
- (3) Was the 1998-99 annual report produced wholly within the department or agency?
- (4) If not -
 - (a) what services were provided by contractors; and
 - (b) at what cost?
- (5) Who printed the 1998-99 annual report?
- (6) How many copies of the 1998-99 annual report were printed?
- (7) If the annual report was designed by a contractor, what was the name of the contractor?

Mr COURT replied:

I am advised that :

Ministry of the Premier and Cabinet

- (1) \$14,607.10 plus associated staff salary costs.
- (2) Cost breakdowns were not provided in this format for the quotation process.
- (3) No.
- (4) (a) Design, layout, editorial input, photography, printing, electronic conversion.
- (b) \$14,607.10.
- (5) Moore Print, arranged by designers.
- (6) 500
- (7) Gameron and Hobbs.

Treasury

- (1) \$19,626
- (2) (a) \$6,530
- (b) \$13,096
- (c) Not applicable.
- (d) All writing undertaken in-house.
- (3) No.
- (4) (a) Graphic design and desktop publishing.
- (b) \$6,530.

- (5) Picton Press.
- (6) 300 copies of the full annual report and 300 copies of a summary version.
- (7) Whistling Moose Graphics.

Anti-Corruption Commission

- (1) \$6,215
- (2) (a) \$2,000
(b) \$4,215
(c) \$400
(d) Nil.
- (3) No.
- (4) (a) Artwork and printing
(b) \$2,000 and \$4,215
- (5) Precise Print Management
- (6) 1,000 copies
- (7) Precise Print Management

Governor's Establishment

- (1) Under \$50 – produced in-house.
- (2) (a)-(d) Nil.
- (3) Yes.
- (4) Not applicable.
- (5) Governor's Establishment.
- (6) 25 copies.
- (7) Not applicable.

Office of the Public Sector Standards Commissioner

- (1) \$4,460
- (2) (a) \$1,440
(b) \$3,020
(c) \$115
(d) Nil.
- (3) Yes.
- (4) (a)-(b) Not applicable.
- (5) Media Fixation.
- (6) 200 copies.
- (7) Not applicable.

The Director of Equal Opportunity in Public Employment advises as follows:

- (1) \$3,827
- (2) (a) \$140 (cover only)
(b) \$1,387
(c) \$300
(d) Nil.
- (3) No.
- (4) (a) artwork and printing
(b) \$1,527
- (5) EM Complete Printers.
- (6) 300 copies.
- (7) Not applicable.

Gold Corporation

- (1) The total production cost of the 1998-99 annual report was \$19,860.49, excluding distribution costs.
- (2)
 - (a) \$13,690.49
 - (b) \$6,170.00 (Printing)
 - (c) Costs not yet available.
 - (d) -
- (3)-(4) The 1998-99 annual report was written wholly within Gold Corporation, however, design and printing of the annual report was coordinated by an external design house.
- (5) Scott Four Colour.
- (6) 1500
- (7) Glendinning Ratten.

Office of the Auditor General

- (1) \$12,736
- (2)
 - (a) Prepress costs \$3050
 - (b) Printing costs \$9686
 - (c) Normal Mailwest rates
 - (d) Undertaken inhouse
- (3) Yes.
- (4) Not applicable.
- (5) Prepress – Fresco Design
Printing – Quality Press
- (6) 600
- (7) Designed inhouse.

WA Treasury Corporation

- (1) \$29,815
- (2)
 - (a) \$4,790
 - (b) \$20,435
 - (c) \$4,590
 - (d) Nil.
- (3) No.
- (4)
 - (a) Design, artwork, photography, printing and postage.
 - (b) \$29,815
- (5) Frank Daniels Pty Ltd.
- (6) 3,000
- (7) Eclipse Group Pty Ltd.

GOVERNMENT DEPARTMENTS AND AGENCIES, ADVERTISING AND PUBLIC RELATIONS BUDGET

1666. Mr RIEBELING to the Premier; Treasurer; Minister for Public Sector Management; Federal Affairs:

- (1) For each department or agency under the Premier's control, what is the total 1999-2000 budget for -
 - (a) advertising (television, print and radio);
 - (b) pamphlets, brochures, bulletins and other forms of printed information, excluding annual reports and "in-house" bulletins; and
 - (c) public relations and events management?
- (2) For the period 1 January 2000 to 30 June 2000, can the Premier advise of the planned -
 - (a) advertising campaigns (television, print and radio);
 - (b) pamphlets, brochures, bulletins and other forms of printed information, excluding annual reports and "in-house" bulletins; and
 - (c) public relations campaigns and events management?
- (3) For the period 1 January 2000 to 30 June 2000, can the Premier advise of the estimated cost and approximate commencement or publishing dates of -
 - (a) advertising campaigns (television, print and radio);

- (b) pamphlets, brochures, bulletins and other forms of printed information, excluding annual reports and "in-house" bulletins; and
- (c) public relations campaigns and events management?

Mr COURT replied:

I am advised that :

Ministry of the Premier and Cabinet

- (1) The Ministry of the Premier and Cabinet, under the output based funding system, does not set budgets at the level of advertising, pamphlets and events management etc.
- (2)-(3) There are no advertising campaigns, promotional publications or public relations campaigns planned for the period 1 January to 30 June 2000.

Treasury

- | | | | |
|-----|-----|---|--|
| (1) | (a) | Advertising (television, print and radio) | \$7,000 |
| | (b) | Pamphlets, brochures, bulletins and other forms of printed information | \$108,000 |
| | (c) | Public relations and events management | Nil |
| (2) | (a) | Print Advertising -
Public Notice on Unclaimed Money
Public Notice on Competition Policy Legislation Review | |
| | (b) | Pamphlets, brochures, bulletins and other forms of printed information -
Unclaimed Money – Government Gazette
Budget Papers comprising:
2000-2001 Budget Speech - Budget Paper No. 1
2000-2001 Budget Statements - Vols 1, 2 and 3 - Budget Paper No. 2
2000-2001 Economic and Fiscal Overview - Budget Paper No. 3
2000-2001 Budget Overview
Purchasing and Analysing Outputs Manual
Six issues of the Niemeyer (Monthly Statement of Consolidated Fund Transactions)
Two issues of Treasury News (external newsletter on interdepartmental financial management)
Project Evaluation Guidelines
Private Sector Involvement in Infrastructure
Community Service Obligation Policy in Western Australia
December Quarter of the Western Australian Economic Summary
March Quarter of the Western Australian Economic Summary | |
| | (c) | Public relations campaigns and events management | Nil |
| (3) | (a) | February
Public Notices of Unclaimed Moneys
March
Public Notices of Competition Policy Legislation Review | \$2,000

\$5,000 |
| | (b) | February
Mid Year Review
Consolidated Financial Statements
December Quarter of the Western Australian Economic Summary
Community Service Obligation Policy in Western Australia
Niemeyer (Monthly Statement of Consolidated Fund Transactions)
March
Niemeyer (Monthly Statement of Consolidated Fund Transactions)
Purchasing and Analysing Outputs Manual
Treasury News
April
Niemeyer (Monthly Statement of Consolidated Fund Transactions)
March Quarter of the Western Australian Economic Summary
Project Evaluation Guidelines (Manual)
May
Niemeyer (Monthly Statement of Consolidated Fund Transactions)
Budget Papers comprising:
2000-2001 Budget Speech - Budget Paper No. 1
2000-2001 Budget Statements - Vols 1, 2 and 3 - Budget Paper No. 2
2000-2001 Economic and Fiscal Overview - Budget Paper No. 3
2000-2001 Budget Overview | \$2,500
\$6,000
\$2,000

\$3,000

\$500

\$500
\$11,000
\$5,000

\$500
\$2,000
\$10,000

\$500
\$25 000 |

Government Projects Office

- (1) (a)-(c) No specific budget but approximately \$115,000 for advertising, pamphlets, brochures, public relations, and events management relating to projects.

- (2) (a)-(c) Brochure planned for Fremantle Waterfront masterplan and one event for Heathcote project.
- (3) (a)-(b) Sunset project: Estimated cost \$15,000 including approximately \$9,600 on preparation of brochure, signs and advertising.
Fremantle Waterfront project: Approximately \$10,000 for brochure
Heathcote project: Estimated cost: \$10,000
(c) Heathcote project: Approximately \$20,000

Anti-Corruption Commission

- (1) (a) \$10,000
(b) \$20,000
(c) Nil.
- (2) (a) Nil.
(b) Reprint of Guide To The Anti-Corruption Commission and printing of Rights and Obligations of Persons Being Interviewed by Anti-Corruption Commission Investigators.
(c) Nil.
- (3) (a) Nil.
(b) \$10,000, approximate publishing date March 2000
(c) Nil.

Governor's Establishment

- (1) (a) \$7,000
(b)-(c) Nil.
- (2) (a)-(c) None.
- (3) (a)-(c) Not applicable.

Office of the Public Sector Standards Commissioner

Although the Office of the Public Sector Standards Commissioner does not come under the Premier's control, the Commissioner advises as follows in respect to this office:

- (1) (a) Nil.
(b) \$5,000
(c) Nil.
- (2) (a) Nil.
(b) Reprint of existing brochures as required
(c) Nil.
- (3) (a) Not applicable.
(b) Existing brochures for the Code of Ethics and Human Resource Standards will be reprinted as existing stocks are depleted later this financial year.
(c) Not applicable.

Director of Equal Opportunity in Public Employment advises as follows:

- (1) (a) Nil (except in Intersector)
(b) \$41,202
(c) Nil.
- (2) (a) Nil (except in Intersector)
(b) \$9,186
(c) Nil.
- (3) (a) Not applicable.
(b) February 2000 (\$4,000), April 2000 (\$5,186)
(c) Not applicable.

Gold Corporation

- (1) (a)-(c) The Corporation's accounting records do not provide a split between television, radio and newspaper advertising, and expenses for production of pamphlets, brochures, bulletins, other printed matter, public relations and events management. The total 1999-2000 budget for marketing costs is \$1,943,500. This figure includes international marketing expenditure.
- (2) (a)-(c) Several marketing campaigns for new products are planned for the period 1 January 2000 to 30 June 2000. These include the Australian Lunar Coin series (January), Valentine's Day Coin (January), 1/20 oz proof Nugget Coin and Olympic Pin (February), Cook Islands Insect Coin series (March), Love Token Coin (March), Anzac Coin (April), Australian Kookaburra Coins (April), other Cook Island coin issues (May), and the 'Countdown' series of Olympic Pins and medallions (February and May). All advertising will be in print form in various national and international publications, with most campaigns accompanied by press releases relating to each issue.

Other brochures to be produced will include the *Australian Numismatic Post* in February, April and June, the *Australian Nugget Journal* in February and May, *What's On At the Mint* in March, and the Perth Mint tourist brochure in April.

- (3) (a)-(c) The estimated cost for these campaigns is \$1,300,428.

Office of the Auditor General

- (1) (a) Nil.
(b) \$2000
(c) Nil.
- (2) (a) Nil.
(b) Brochure on the Role of the Auditor General
(c) Nil.
- (3) (a) Not applicable.
(b) \$2,000 - January
(c) Not applicable.

WA Treasury Corporation

- (1) (a) \$50,000
(b)-(c) Nil.
- (2) (a) Advertising State Bond investment rates in the West Australian newspaper, Personal Investor magazine and The Complete Retirement Guide magazine.
(b)-(c) Nil.
- (3) (a) \$25,000. Monthly from February 2000 for the West Australian newspaper and Personal Investor magazine and once in The Complete Retirement Guide magazine during this period.
(b)-(c) Nil.

QUESTIONS WITHOUT NOTICE

GOODS AND SERVICES TAX, IMPACT ON COUNTRY PETROL PRICES

557. Dr GALLOP to the Minister for Regional Development:

- (1) What is the expected impact of the goods and services tax on country petrol prices in Western Australia?
- (2) Has the minister approached the federal Treasurer to ensure that country petrol prices in Western Australia will not increase as a result of the GST?
- (3) Has the federal Treasurer been able to provide any assurance to WA that country petrol prices will not rise as a result of the GST?

Mr COWAN replied:

- (1)-(3) I am sure the Leader of the Opposition knows that under the restructuring of fuel prices after the goods and services tax is applied, there will be a fuel equalisation tax. That tax will be set at a rate which guarantees there will be no increase in the price of fuel. The Leader of the Opposition knows that, so I assume he is referring to whether there will be a continuing escalation in prices based on the fact that the oil companies are setting the wholesale price of fuel at record levels. Added to that is the fact that retailers of fuel in country areas do not have the volume of turnover that allows them to reduce their retail margin, which is added to the wholesale price. In addition to that there are the transport costs associated with fuel, which I think deserve to be investigated because in many instances they are too high. The Leader of the Opposition will find that the GST will not be the problem, because there was an understanding - it will be honoured - that the fuel equalisation tax will be set at a level that will not be any higher than the level of tax on fuel now.

Unfortunately, there are other ingredients in the price as well as tax. I recognise that excise is one of the higher contributing factors to the cost of fuel, but there are also the wholesale price, retail margin and transportation costs. Regrettably, there are no controls over those three items, so I cannot give the Leader of the Opposition an undertaking other than to say that the tax component of fuel will not increase.

CYCLONE STEVE, FLOOD DAMAGE

558. Mr SWEETMAN to the Premier:

In the past hour the Premier and I have returned from Carnarvon where the Premier surveyed flood damage around the town. As a result of that visit, will the Premier inform the House what steps the Government will take to assist those affected by cyclone Steve in both the Gascoyne region and throughout the State?

Mr COURT replied:

I thank the member for the question and I would like to place on record the Government's thanks for what the member has been doing over the past few days as a result of what has been, and still is, a difficult situation in Carnarvon. Cyclone Steve has caused extensive flood damage from the Kimberley through to Esperance; and I am not talking about the damage it has caused in Queensland and the Northern Territory. We now have much better reports on the extent of the damage. We are still waiting for the waters to subside in each of those areas before getting a full assessment of the road damage, but that is the most critical area. It has already caused more than \$10m of damage to the main roads, and it has caused huge damage to local roads.

In relation to the Carnarvon area, I was briefed this morning by emergency service personnel, including representatives from all the major government agencies. Power has been restored in most places. Telephones are a problem. The mobile service works, but most of the landlines do not work. Water is available to a large number of places, but there are still problems on the north side of the river. Family and Children's Services is still responsible for providing food and accommodation for about 70 people who cannot go back to their homes. Without going into any more detail, the emergency services people, many of whom are volunteers, have again been working in difficult circumstances and have been doing an outstanding job, and I thank those people. With regard to the support that will be provided, we will provide a similar package to that for Moora and Exmouth - namely \$1 000 per adult and \$200 per child - to assist those households that have sustained damage with household repairs, equipment and the like. That will be set up, and tomorrow a local recovery group, along with Family and Children's Services, will put that in place. We want those moneys expedited, because those people need the help now. With regard to getting the plantations back on track, one of the big priorities is to assist them in restoring topsoil, because there have been huge washaways in many of these places, and again the Government will assist in funding that operation and getting that topsoil back.

There is still a long way to go. It is not just Carnarvon. We are also concerned, for example, about the damage that has been caused in the Esperance area, where a number of key bridges have been taken out of action. Right across the State at present, our road transport systems are disrupted. As soon as the waters go down, they will be able to start to get those roads back into action. I cannot comment about what the level of federal government support will be. That will depend on the extent of the damage, when we are able to properly assess it. In Carnarvon, as the member knows because he has been involved in some of the floodplain discussions, significant work is being carried out with regard to modelling for flooding to see whether some changes can be made for different diversion programs or the like. It is too early to comment, but the funding has been provided, and over the next year more than \$500 000 will be spent to bring into action a computer model which will look at the different options to try to find some long-term solutions to stop this problem, because there is no doubt that the levees that have been put in place have aggravated the flooding in other parts of the plantations. That work was, in a way, assisted by the recent flood, because they were able to do very accurate aerial photography of the flooded regions, and today they are surveying all the high-water marks in the critical areas, which will assist in that study. Once again, I thank the member for what he has done to assist very directly and personally those people who are suffering from these problems.

GUNNING INQUIRY, REMUNERATION

559. Mr McGINTY to the Premier:

Some notice of this question has been given. I refer to the Gunning inquiry established on 8 February this year and ask -

- (1) What rate of remuneration is Mr Ivan Gunning receiving to chair the inquiry?
- (2) What is the total remuneration package being paid to Mr Gunning?
- (3) Will Mr Gunning's state government-funded judicial pension be offset against his earnings from the inquiry?
- (4) Does the Government have any legislative plans to prevent former judges from double dipping?

Mr COURT replied:

(1)-(2) A fee of \$50 000 will be paid for that work.

(3) No.

(4) The Government does not intend to undertake any action which would restrict its access to the skills and expertise of former public officials. For example, retired public servants can continue to draw their superannuation while contributing their expertise to government boards and committees. A number of the member for Fremantle's former colleagues also provide professional services, and it is quite appropriate that they be paid for those services. The member has made a decision to carry out a very personal attack on a person who was a judge -

Dr Gallop: That is a typical way of not answering the question!

Mr COURT: I have answered the question. This person was a judge for 22 years, and it was okay while he was a judge, but the member is now questioning whether he is capable of determining -

Mr Ripper: You always have a blind spot when it comes to conflicts of interest.

Mr COURT: Why is that?

Mr Ripper: What about Vera Novak?

Mr COURT: That is outrageous! I will not comment on personal attacks from members opposite.

Dr Gallop: They are not personal attacks; they are substantive issues of public administration.

Mr COURT: For 22 years a judge is okay - independent and respected. However, when he undertakes a particular inquiry members opposite say that he is not capable of determining whether he has a conflict of interest.

SMALL BUSINESS, SKILLS UPGRADE

560. Mr OSBORNE to the Minister for Employment and Training:

Small business in my electorate recognises the need to upgrade skills to become more competitive. How is the Department of Training able to assist in this regard?

Mr BOARD replied:

I thank the member for some notice of this question. The Government recognises that small businesses are the backbone of this State. With the cooperation of the Minister for Commerce and Trade, through the Small Business Development Corporation, the Department of Training is trialling a package in the south west that will be an important step in upgrading the skills of small businesses. Small businesses recognise that they have difficulty accessing training because they are often too busy with their shoulders to the wheel. In fact, small businesses are growing in number 400 per cent faster in Western Australia than in any other State. It is very important that we provide the skills for those businesses to compete. That skills development could be in marketing, information technology, public relations, sales and so on. Those skills should be developed by both owners and those seeking employment.

A couple of weeks ago I launched a program involving the injection of \$500 000 into 8 000 businesses in the south west. It is hoped that at least 1 200 businesses will take up a \$400 training package as a catalyst to upgrade skills. If the program is successful, it will be expanded throughout Western Australia. We will see our small businesses not only growing and becoming more competitive but also developing in the electronic commerce market.

FINANCE BROKERS, JOINT TASK FORCE

561. Mr McGINTY to the Minister for Fair Trading:

- (1) Will the minister confirm that an approach was made to the Police Service in January this year with a view to establishing a joint Ministry of Fair Trading-Police Service task force to deal with finance broking issues?
- (2) What was the minister's view of the proposal and why has the task force not been established?

Mr SHAVE replied:

- (1)-(2) I have no advice on that from the ministry. The member for Fremantle knows very well that if he had provided the detail of the question half an hour ago I would have provided the information.

POSTGRADUATE NURSING EDUCATION RESEARCH

562. Mrs HODSON-THOMAS to the Minister for Health:

Given the shortage of qualified nurses in Western Australia can the minister explain what assistance the Government is providing to support postgraduate nursing education research?

Mr DAY replied:

I thank the member for some notice of the question.

I am pleased to advise that very significant support is provided by the Government through the Health budget to assist with postgraduate nursing education and research. For example, in the current financial year, a total of \$329 000 has been made available for postgraduate scholarships assisting 145 nurses undertaking professional development and studying midwifery and rural initiatives. In addition, \$198 000 has been made available for undergraduate scholarships. A total of 91 students have been awarded between \$1 500 and \$2 500 to assist them in their studies and to encourage them to take up nursing as a career.

Today I had the pleasure of awarding the 2000 Helen Bailey scholarship to Ms Susanne Davis. This scholarship is named after Miss Helen Bailey, who I am pleased to say is still alive. She has played a prominent and notable role in nursing education in Western Australia over a period of approximately 20 years, including at Fremantle Hospital, Royal Perth Hospital and also the central school of nursing. The scholarship was originally established in 1971, and it has been made available to Sue Davis this year, in the amount of \$10 000 to assist her in undertaking research into the information needs of the families of palliative care patients in an acute hospital setting. Sue Davis is a clinical nurse consultant with the Palliative Care Service at Sir Charles Gairdner Hospital, and it is expected that the information obtained from her research will be used to design an intervention which will better assist nurses to communicate with those families and to therefore improve the quality of care for both palliative care patients and their families.

WATER CORPORATION, WELLINGTON DAM LAND PURCHASE

563. Dr EDWARDS to the Minister for Water Resources:

I refer to the Water Corporation's purchase of land near the Wellington Dam from Worsley Timber Pty Ltd and ask -

- (1) Is the minister aware that corporation chairman, Peter Jones, sent a memo to the Premier just prior to the purchase of this land and that this minute cannot be found at either Mr Jones' office or the Premier's office?
- (2) What steps is the minister taking to ensure that important records of contact between the Water Corporation and the Premier's office are properly filed?
- (3) Will the minister explain why the chairman of the Water Corporation would want to send a minute to the Premier about this purchase and not bother to contact the Minister for Water Resources?

Dr HAMES replied:

- (1)-(3) The Opposition does not seem to want to let this go and will not take the time to admit that the purchase of this resource by the Government is a huge improvement for the local community and all the people of Western Australia in terms of management of that dam.

Several members interjected.

Dr HAMES: It is a magnificent national park. The information has been provided under the Freedom of Information Act. All information provided by the Water Corporation has been brief and provided freely.

Dr Gallop: Where is the memo?

Dr HAMES: I understand that the memo was provided to the Premier on a confidential basis.

Dr Gallop: It does not exist, my friend.

Dr HAMES: It is not within the records of agencies which have the ability to provide that information under the Freedom of Information Act.

MINISTERIAL COUNCIL MEETING, AGENDA ITEMS

564. Mr TUBBY to the Premier:

What are the main agenda items for discussion at the Treasurers' financial conference to be held in Canberra later this week?

Mr COURT replied:

Mr Speaker, there will be a -

Several members interjected.

Mr COURT: The Labor Party never operated under freedom of information legislation. It refused to do so during 10 years in government.

Mr Brown: The Premier has the right title of freedom from information, because that is what he does. He makes sure people never get information; they never get it.

Mr COURT: Western Australia is regarded as having the most open freedom of information regime in this country.

Mr Kobelke: You thought that FOI was a brand of shredder, didn't you?

The SPEAKER: Order! Members, the member for Roleystone has asked a question. I do not think we have got anywhere near the answer yet. I remind members that it is disorderly to interject.

Mr COURT: Whenever I go to a Premiers Conference, the first thing that the Labor Premiers ask is whether we can all agree to abolish the freedom of information legislation on the same day. That is what they think of it.

Tomorrow and Friday will be the first ministerial council meeting -

Mr Ripper: You will not be going to any more of those Premiers Conferences, will you?

Mr COURT: Why is that?

Mr Ripper: Have they not been abolished?

Mr Carpenter: Tell us what sort of reception you got at Subiaco Oval on Saturday.

Mr McGinty: The Fremantle people told you what they thought of you, didn't they?

Mr COURT: I said at the time that I did not realise how unpopular Barry MacKinnon was.

Mr McGinty: Apologies to Gough Whitlam for that one.

Mr COURT: Yes, apologies to Gough Whitlam.

The ministerial council is meeting on Friday and the key area to be covered is the assistance package which the Federal Government will be providing to the States. A question was asked yesterday about how many years it would be before Western Australia received net revenue gains from this package. It is a moving target. We were to be one of the last States to receive the revenue benefits but that has changed and we will now probably be the second State to move into a positive revenue position. However, a number of issues will affect that timing. A number of goods and services tax administration issues need to be worked through. I am sure members can understand that when one is bringing about such a major taxation change, many issues and difficulties need to be worked through. A progress report will be presented on the intergovernmental taxation agreement. The meeting will concentrate heavily on the GST implementation issues.

I assure members that at all the meetings we had about the implementation of the goods and services tax, the Labor States of Queensland and New South Wales were very quiet and could not sign up to this package quick enough. Why? Because it will give them, particularly Queensland, very quick access to growth revenues. The Leader of the Opposition has signed an agreement with the other Labor leaders to wind back the GST. The Opposition has asked the Government to say on which items the GST will be charged and the Government has tabled all that information in the Parliament. The Opposition already knew it but the Government tabled it anyway. Perhaps the Opposition will tell us in what areas it will wind back the GST.

Dr Gallop: Come on Premier, don't try that.

Mr COURT: Okay, do not try that one. What the Leader of the Opposition has not said on GST is if Labor rolls back GST revenue, it is rolling back state revenues.

Dr Gallop: No.

Mr COURT: Yes. That is what it will do.

Dr Gallop: Unlike you we have a guarantee with our federal colleagues.

Mr COURT: The Leader of the Opposition came out this week with a "financial responsibility statement".

Dr Gallop: Lashing out at the Labor Party, the old Court tactic!

Mr COURT: The Leader of the Opposition came out on Monday with a policy saying "We will retain the State's AAA credit rating". Retain it? Who was the assistant Treasurer in 1991 when this State lost its AAA credit rating?

The SPEAKER: Order! If members bothered to look closely at themselves and reflect on the situation, many of them would have much less interjecting to do. Perhaps we can get to the point of the answer; many members would like to get a question up.

Mr COURT: The ministerial council is a very important issue. We will be discussing these financial matters. The Leader of the Opposition knows how to lose a AAA credit rating - he was the assistant Treasurer when it happened. He was the assistant Treasurer who refused to tell it straight on the State Government Insurance Commission when Labor sent a third party insurance fund broke and refused to tell the public that fund's situation.

Dr Gallop: Desperate Dick!

Mr COURT: I am not desperate. We are proud of what we have done to this State's finances. At the meetings this week, we will continue to take a responsible position and fight for this State.

MULTICULTURALISM, LIBERAL PARTY UNDERTAKINGS

565. Mr KOBELKE to the Minister for Citizenship and Multicultural Interests:

My question relates to the government policy on multiculturalism and its potential conflict with Liberal Party undertakings.

- (1) Did the minister encourage a leading One Nation member in the northern suburbs to stand for election to the Joondalup City Council?
- (2) Is his support for One Nation members the reason he refused yesterday to reassure the ethnic and migrant community in Western Australia that he personally and the Liberal Party generally would not swap preferences with One Nation at the next election?

Mr JOHNSON replied:

- (1)-(2) Yesterday I explained to the House that I have no say in directing preferences as far as the Liberal Party is concerned. The member is fully aware of that. He knows who directs preferences and when that happens. This matter is outside my portfolio. If it affects any portfolio, it would be that of the Minister for Parliamentary and Electoral Affairs.

Dr Gallop: It is a major issue for the migrant community and the minister knows that.

Mr JOHNSON: I am giving the facts, not dealing with the fiction those opposite are bringing in. I was fully aware this question would be asked today. I know the lady referred to. She has been one of my electors for the past seven years and has come to my office on many occasions.

Mr Kobelke: To do One Nation work?

Mr JOHNSON: Absolutely not. What she does in her meetings with me in my office are confidential between her and me, and I would expect any member of Parliament to observe that sort of confidentiality.

Mr Kobelke: Did you encourage her to stand for election?

Mr JOHNSON: I am not prepared to tell the member for Nollamara or anybody else -

Mr Kobelke: Did you encourage her to stand for election? Just answer the question.

Mrs Roberts: Why don't you answer the question?

Mr JOHNSON: I will answer the question. I was aware that she wanted to stand for election as a local councillor. Apart from any other previous meetings I have had with her - obviously they are confidential and those opposite would not expect me to mention those - I have told her that I would not encourage anybody to stand for election to a local council on a political basis. I am fully aware that the Labor Party has a different attitude on that matter: Its members have a network involving the unions that operates throughout the northern suburbs to get its candidates into the Wanneroo and Joondalup councils.

Mr Kobelke: Is this Wanneroo Inc mark II?

Mr JOHNSON: As I said, I am fully aware of what happens. The Liberal Party does not do that.

RAILWAY SLEEPERS, THIRD GRADE LOGS

566. Mr MASTERS to the Minister for Forest Products:

Three timber mills in my electorate derive a significant proportion of their income from railway sleepers cut from third grade logs, which I believe are otherwise unusable, except for charcoal production and firewood. Can the minister indicate when the new Conservation Commission is likely to assess that such a use for third grade logs is acceptable, with no higher value usage possible, as committed by the Premier in the forest management changes announced last July?

Mr OMODEI replied:

The member will be aware that we are currently discussing Bills and an amendment to the Conservation and Land Management Act which would set up the Conservation Commission. The forest products legislation will follow that very shortly, setting up the Forest Products Commission, with me as the minister. In relation to jarrah sleepers, the member will also be aware that the last tender was put out prior to Christmas. Already 30 000 sleepers had been cut and, if I recall correctly, the tender was for 29 000 sleepers. At that time a significant number of logs were on landings that had been purchased by small millers on the perception that the tenders would increase. At that point, the Government decided that there would be no new tenders for sleepers. We responded to the feedback from the community on that issue. Those logs that in the past were used for sleepers will have to be used for other products and for a range of purposes. The Government's policy has been very clear. Further to that contract for 30 000 sleepers, the Government's decision was to go away from using jarrah as sleeper material and look to alternatives, including concrete and steel sleepers. There is a school of thought in the community that if those logs were not to be used for any other purposes - in other words, if they were to be waste - they should be used for sleepers. To coin a phrase used yesterday, public opinion has passed that by. The Government has recognised that the community would not accept further contracts for sleepers and it has moved in that direction.

GOODS AND SERVICES TAX, PUBLIC HOUSING

567. Mr RIPPER to the Minister for Housing:

I refer to the minister's claim in a media statement on 25 February that the Commonwealth and State Governments have provided compensation for the impact of the goods and services tax on public housing.

- (1) Can the minister confirm that the Commonwealth is providing \$26m over the next three years and that the State Treasury is providing \$9m over the next three years, a total of \$35 over three years?
- (2) Can he also confirm that a KPMG study in September 1999, commissioned by the Ministry of Housing, found that the GST will cost the ministry about \$20m per annum?

Dr HAMES replied:

- (1)-(2) I must admit that I will have to refresh my memory on those reports. The figure of \$26m is correct. We did a state estimate of the cost of the goods and services tax on housing, as did all the States. A package was put up by the Commonwealth in the negotiations with the Premiers and the Treasurers. As ministers for housing, we negotiated the outcome of the package and from those negotiations it was determined eventually, with a lot of dispute between ministers for housing, that \$26m was appropriate.

Mr Ripper: You need \$20m each year.

Dr HAMES: No, we do not. That is where the member is wrong. We do not need that amount each year. He may, or may not, be right that KPMG provided that estimate. I do not recall.

Mr Ripper interjected.

Dr HAMES: I ask the member to listen to the answer. I do not care what the previous estimate was. Subsequent to that, when we had far more detail of the impact of the GST, we did an estimate throughout the Ministry of Housing of the cost to this State of the GST. That figure of \$26m over three years is the correct one for the cost of the GST to this State, and we have been compensated for that. We are very happy. Our estimate was slightly less than that figure. We were pleased to get the full amount and that fully compensates -

Dr Gallop interjected.

Dr HAMES: Those opposite cannot stop themselves: One minute the member for Fremantle is making personal attacks, now the Leader of the Opposition takes over from him. This is the personal attack brigade of the other side. The correct compensation for the GST cost on housing in this State is \$26m, and we have the right amount.

GOODS AND SERVICES TAX, PUBLIC HOUSING

568. Mr RIPPER to the Minister for Housing:

I have a supplementary question. Is it the case that in the negotiations, the minister sold out the State and the public housing sector, and that the compensation falls well short of what will be required?

Dr HAMES replied:

That is not a supplementary question; it is just a repeat of the original question. I have given the answer already. It is no.
