

Legislative Council

Wednesday, 13 December 1995

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

PETITION - SCHOOL CLEANING, CONTRACTING OUT

Hon John Halden (Leader of the Opposition) presented a petition from 20 residents of Western Australia opposing the State Government's decision to contract out school cleaning and requesting the Legislative Council to call on the Government to reverse the decision to contract out school cleaning and release the Arthur Andersen report.

[See paper No 1053.]

PETITION - REGIONAL PARK SOUTH OF GUILDERTON ESTABLISHMENT

Hon M.D. Nixon presented the following petition, by delivery to the Clerk, bearing the signatures of 47 persons -

We the undersigned respectfully request that the Government establish a Regional Park immediately to the south of Guilderton in order to protect the mouth and lower reaches of the Moore River and the significant dunes and coastal heathland south of the mouth of the Moore River.

We request that the Government take urgent action to acquire this land before it is further rezoned or developed.

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

A similar petition was presented by Hon P.R. Lightfoot (46 persons).

[See papers Nos 1049 and 1050.]

PETITION - SWAN SHIRE COUNCIL, COUNCILLORS REPRESENTING SWAN VALLEY WARD

Hon Derrick Tomlinson presented the following petition, by delivery to the Clerk, bearing the signatures of 232 persons -

We, the undersigned people of Western Australia wish to

Ask that: due to the Implementation of Swan Valley Planning Bill 1995 and therefore the level of representation required for same: the number of councillors representing the Swan Valley ward of the Swan Shire Council remain at 2 for the benefit of the tourism industry and the future of the Swan Valley and its residents.

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

[See paper No 1051.]

PETITION - X-RATED PORNOGRAPHY REFUSED CLASSIFICATION

Hon Reg Davies presented the following petition, by delivery to the Clerk, bearing the signatures of 1 213 residents -

The Petition of the undersigned sheweth that we call upon the Government of the State of Western Australia to recognise the will of the people of this State, who oppose:

a. the legalisation of X-rated videos, films and computer games for the purpose of screening or playing in PRIVATE venues, and the legalisation of X-rated pornography and R-rated violence on graphic interface Computer Networks that children can access,

b. the provision of an outdated (1967) "artistic merit" over-ride for Refused

Classification films, videos, and computer games, which could permit child pornography in Award circumstances,

c. the refusal to grant "standing" to any citizen to appeal against a classification, - a right recommended by the Law Reform Commission Australia.

Your Petitioners humbly pray that the Legislative Council in Parliament assembled should:

ensure that X-RATED PORNOGRAPHY is REFUSED classification,

ban the possession of Refused Classification material,

eliminate the antiquated (1967) merit over-ride,

grant "standing" to a citizen to appeal against a classification.

We ask the Council to support family values, and your petitioners, as in duty bound, will ever pray.

[See paper No 1052.]

UNLEADED PETROL REPEAL BILL

Assent

Message from the Governor received and read notifying assent to the Bill.

MOTION - URGENCY

Fire Prevention and Control Regulations in Western Australian Buildings

THE PRESIDENT (Hon Clive Griffiths): I have received the following letter addressed to me, dated 13 December 1995.

Dear Mr President,

At today's sitting, it is my intention to move under SO 72 that the House, at its rising adjourn until 9.00 am on December 25 1995 for the purpose of discussing the inadequacy of fire prevention and control regulations in Western Australian buildings.

Your sincerely,

Mark Nevill MLC

(Member for Mining and Pastoral Region)

For this matter to be discussed, it will be necessary for at least four members to indicate their support by rising in their places.

[At least four members rose in their places.]

HON MARK NEVILL (Mining and Pastoral) [2.37 pm]: I move -

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

Six or eight months ago, I was involved in the conversion of a building for backpacker accommodation in Fremantle. As part of that involvement, I examined the regulations relating to fire prevention in buildings. I concluded that we have an absolute shambles.

At least three areas of legislation have some impact on fire prevention in buildings. The first involves the by-laws relating to lodging houses under the Health Act. The second is the series of regulations entitled Model By-laws Series "A". They do not seem to come under any Act of Parliament. The third is the Building Code of Australia 1990. That is a fairly large and important document and it is not available in the Parliamentary Library. In fact, it is very difficult to get one's hands on that document. I tried to obtain photocopies of parts of the document from the board of the Western Australian Fire Brigade this morning, but the lass who made the inquiries for me did not seem to get assistance from the board. However, the Building Management Authority has been very cooperative with the Parliamentary Library and it sent me a copy today so that I could photocopy the relevant sections.

The building code is much more important than many of the building regulations with which we deal. We should consider having a copy of the code placed in the library. Clause 15 of the model by-laws series A is headed "Fire prevention and control". It refers to lodging houses and the requirements of the keeper of a lodging house in respect of emergency light and fire blankets. Those fire control provisions are required to be approved by the principal environmental health officer of the local authority. Subclause (2) states -

A keeper shall ensure that all buildings comprising the lodging house are fitted with fire protection equipment as advised by the Western Australian Fire Brigades Board and approved by the local authority.

That means that the Western Australian Fire Brigades Board has no direct control over what fire prevention equipment is placed in a building. All that it does is advise the local authority. It is up to the local authority to approve whatever it thinks fit, and it does that by looking at the laws that are in place.

The building with which I was involved did not come under any by-laws. We had to spend \$30 000 on fire prevention equipment only because the granting of a licence depended on the local authority's approving the building. It is quite a rubbery process back to the Fire Brigades Board. We now have a beautiful heritage building that looks like a spaghetti factory, with cables in poly pipe for heat detectors and smoke alarms. A local authority can decide to put battery operated smoke detectors in some buildings, and in respect of other buildings it can require a full electronic system. The requirements are not applied uniformly. It depends how desperate one is to get a licence as to what it can require one to do. The process should be tightened up and the fire brigades certainly should have a more direct role in fire safety standards in buildings.

Part A(3) of the Building Code of Australia classifies buildings in certain groups. The only group that affects the situation in which I was involved is class 1B, which includes a boarding house, guest house, hostel or the like with a total floor area not exceeding 300 square metres and in which not more than 12 persons would be ordinarily resident.

Section E1.7 of the code, which is headed "Fire and smoke alarms", states -

An *automatic* fire detection and alarm system, designed to ensure the occupants are given adequate warning so they can evacuate the building in an emergency, must be installed in -

- (i) a Class 1b building . . .

That is, a lodging house with fewer than 13 people. Under that system, a class 3 building is -

a residential building . . . which is a common place of long term or transient living for a number of unrelated persons, including -

- (a) a boarding-house, guest house, hostel, lodging-house or backpackers accommodation . . .

It also mentions hotels and accommodation for the aged and the disabled. That class 3 building will require fire and smoke alarms if it accommodates more than 20 residents and is used as a residential part of a school or accommodation for the aged, children or people with disabilities. Clearly, backpacker accommodation is not part of a school and it is not related to accommodation for the aged, children, or people with disabilities. No fire control regulations apply to a lodging house or backpacker accommodation for more than 20 people. Only those two narrow categories are required to install automatic fire detection and alarm systems.

Hon George Cash: Which two do you say they are?

Hon MARK NEVILL: The residential part of a school - a boarding school - and accommodation for the aged, children, or people with disabilities.

Hon George Cash: What about a boarding house, guest house, lodging house or backpackers' accommodation, which are in class 3?

Hon MARK NEVILL: It is certainly a class 3 building, but it requires only a fire and smoke alarm if it is used as a residential part of a school, or accommodation for the aged, children, or people with disabilities. Those are high risk buildings. They house people who smoke and others over whom one has little control. I also refer to nursing homes, lodging houses and nightclubs. They are all buildings of high fire risk and they need extra protection. The building in question was not required to have that equipment. I consider that it is required practically - I have no argument with that - but the way in which local government goes about ensuring that there is an adequate fire system is via a licence that it may issue. In that case, it does not have to take the advice of the Western Australian Fire Brigades Board. The only constraint on local government is negligence or a duty of care that it has failed to undertake.

I have four cuttings from *The West Australian* relating to a number of instances. One relates to the death of an elderly woman in a Salvation Army hostel fire at Gosnells. It points to the fire risk in such situations. Another article, which is dated 16 March 1995, and headed "Game with matches ends in boy's death", states -

Yesterday the WA Fire Brigade renewed calls for the State Government to introduce legislation making smoke alarms compulsory and said statistics showed alarms saved lives.

Another article on 21 November states -

Coroner David McCann has recommended checks on aged care hostels to see they meet fire safety standards.

He made his recommendation in his finding that two elderly residents of Seaforth Gardens, Salvation Army Hostel in Gosnells, died accidentally in a fire on February 15.

Had there been smoke detectors positioned on the ceiling, the alarm would have been raised at a much earlier point.

The main reason for this motion is that in June I faxed the office of the Minister for Police, pointing out that anomaly in the building code. I had not heard after three weeks, so I telephoned and asked what was happening. I was told that the document had been mislaid. That happens from time to time, so I faxed another copy. I received a response on 11 July. The Minister has had six months in which to deal with the issue. The Minister seems to be invisible when it comes to his dealing with my queries about police issues and I wonder at his level of competence. I have been watching the regulations for six months expecting to see an amendment to sort out this problem, but nothing has happened. The Minister has not written to me telling me what action is proposed. It is negligence on the Minister's part for not taking any action within the last six months.

It is quite clear that the present system is entirely arbitrary. Adequate fire protection and control is done by bluff, not by any requirement. It appears the Fire Brigade is not directly involved in decision making and it is quite clear that the fire control equipment in many of the buildings in this State are inadequately serviced. I am not talking about urban homes, which is the subject of debate in Victoria and perhaps two storey buildings need smoke detectors on the second level, but I am talking about high risk buildings; for example, nightclubs, lodging houses, backpackers' accommodation and nursing homes. Direct action must be taken to adequately protect these buildings and they should be given a certain number of years in which to gradually improve their standard of fire control and prevention. At the moment nothing is being done and I urge this invisible Minister in the other place to do something about this issue. He knew about this matter six months ago and so far as I am concerned he has been sitting on his hands. I hope the Minister in this place can advise me to the contrary and inform the House that some action is being taken. I am sure the members who received a copy of my urgency motion would have been aware of the area on which my comments would focus.

HON GEORGE CASH (North Metropolitan - Leader of the House) [2.52 pm]: I thank Hon Mark Nevill for raising a number of important issues about fire control and regulations for certain classes of buildings. It is important I indicate that there is no gap

as he suggests between class 1B buildings, which accommodate up to 12 persons, and class 3 buildings which accommodate 20 or more persons. A concession is available to class 3 buildings under some circumstances and I will endeavour, in the short time available to me, to point out what those circumstances are. It is also important for members to recognise that the Minister for Police's office has acknowledged that Hon Mark Nevill contacted it in early July. My understanding is that he and his brother have an interest in a property in the Fremantle area and that the member sought advice about the need for fire control in that building. I am further advised that the Minister for Police's office took seriously the comments the member made and he was referred to the Fire Brigades Board as well as the Department of Local Government. I advise Hon Mark Nevill that the Minister for Police is not sitting on his hands. He is very aware of the perception of the gap which is said to exist. However, if the member were to read the regulations closely he will see that there is not a gap.

It is important that the community is aware that fire prevention and control regulations in Western Australia are considered to be adequate but there is always an opportunity for improvement. The legislation provides for certain standards to be applied to buildings which are renovated or where the use changes. For example, if a building which had either been built or converted for a particular use in the 1950s or 1960s was inspected and its use had not changed it may not necessarily comply with today's stringent standards.

Hon Mark Nevill referred to the coroner's report on the two fatalities at Seaforth Gardens in which the coroner indicated that the building should comply with the current standard. He acknowledged that substantial cost was involved and it should be borne in part by the Federal Government. It will be a matter of ongoing discussion. The Minister's office is aware of that and has taken it on board. Clearly, the funding is a question that will need to be resolved.

I have already indicated that the buildings used for a specific purpose prior to the commencement of the current fire prevention requirements under the Building Code of Australia are not required to upgrade to the current standard while they continue to be used for that purpose. As Hon Mark Nevill pointed out, fire prevention requirements are set out under the Building Code of Australia and in the regulations under the Local Government Act. Work is under way to consolidate all of the building requirements under one set of building legislation.

Hon Mark Nevill: That would be very helpful.

Hon GEORGE CASH: It would take away some of the confusion that currently exists.

Hon Mark Nevill indicated that a class 1B building is classified as a boarding house, guest house, hostel or the like with a total floor area not exceeding 300 square metres and in which not more than 12 persons would normally reside. For that class of building there is a requirement to provide self-contained smoke alarms in suitable locations on or near the ceiling, in every bedroom and associated hallway and in each storey.

It is important for members to be aware of the definition of a class 3 building. I am unsure whether Hon Mark Nevill has that definition, which is as follows -

Class 3: a residential building, other than a building of Class 1 or 2, which is a common place of long term or transient living for a number of unrelated persons, including -

- (a) a boarding-house, guest house, hostel, lodging-house or backpackers accommodation; or
- (b) a residential part of an hotel or motel; or
- (c) a residential part of a *school*; or
- (d) accommodation for the aged, disabled or children; or
- (e) a residential part of a *health-care building* which accommodates members of staff.

It is a wide ranging definition which covers a number of uses for that particular class of

building. A requirement for class 3 buildings, which are occupied by in excess of 20 people, is -

In a Class 3 building, in addition to being within *sole-occupancy units*, self-contained smoke alarms must be installed in other *habitable rooms*, except that in kitchen areas, in a building not protected with a *sprinkler system*, suitable self-contained heat alarms may be installed, with the smoke and heat alarms -

- (i) located in accordance with AS 1670; and
- (ii) arranged to provide an audible alarm complying with Clause 4.

Hon Mark Nevill: What is AS 1670?

Hon GEORGE CASH: It is the full system of fire control. There are two areas: One is the provision of smoke detectors for class 1B buildings and certain class 3 buildings where a concession applies; that is, in the 12 to 19 range and that is the category in which, according to the member, there is a gap. A full class 3 building must comply with the Australian standard 1670. An adequate regulation is in force at the moment; however, the problem is that the regulation is somewhat confusing, and perhaps that is something that should be looked at. When Hon Mark Nevill applied for a building licence, did the local authority indicate the fire requirements?

Hon Mark Nevill: No.

Hon B.M. Scott: That is typical of Fremantle.

Hon GEORGE CASH: That is interesting, because I am told that when a building licence is issued it is normal for the local authority to indicate those requirements and, if necessary, refer the applicant to the relevant department so he can obtain further advice.

Hon Mark Nevill: If we had appealed, we would have won. I am arguing that those requirements are necessary.

Hon GEORGE CASH: Hon Mark Nevill is arguing that a gap exists. I am arguing that although there is a perception of a gap, when one reads the regulations closely, one sees there is no gap. In fact, concessions are available for class 3 buildings; that is, buildings housing between 12 and 19 persons. That is the difference of opinion that exists at the moment. Although it is important that this urgency motion is raised today, clearly it is a technical area and, I acknowledge, one that needs some further consideration to clarify the situation when applicants lodge applications to alter the use of a building for a particular class use.

Rather than my attempting to preach to Hon Mark Nevill on the various regulations in force at the moment, it would be in the Parliament's interest if the member met representatives of the Department of Local Government and the Fire Brigades Board, so that these matters could be run through again. It may be that the member will convince them of the need for some change, and I am saying this in a positive way; however, it is my understanding that the Minister's office clearly understood the member's proposition and disagreed.

HON MARK NEVILL (Mining and Pastoral) [3.02 pm]: I will reiterate a number of points. I have no argument about the level of fire protection and control that the Fremantle City Council required for that building. However, if we had appealed against those requirements, we would not have had to comply.

As the regulation is constructed, many people do appeal, and do not provide this protection in buildings. I understand that when a building is converted or a new building is constructed it should comply with the current standards. However, I am not sure that applies in the way the regulations are drafted. There is a mammoth problem with old buildings, because a lot of capital is required to upgrade them. Those old buildings that are high risk, including night clubs and accommodation for the aged, should be covered by some scheme so they can gradually improve their control systems to lower that level of risk. If we do not do that, we are being negligent.

The crux of this debate is whether there is a gap. I received a fax on 10 July from the

WA Fire Brigades Board which attached copies of the Building Code of Australia. The board states -

- (1) Class 1B (part A3) for up to 12 persons requires automatic fire detection and alarm system as per part E1.7.
- (2) Class 3 (part A3) which relates to "backpackers accommodation", automatic fire detection and alarm system can only be enforced for a total number of residents exceeding 20.

I also argue that it can be enforced only if it concerns aged accommodation, children's accommodation, accommodation for people with disabilities, or if it is a boarding house attached to a school. The board continues -

- (3) Persons between 12 and 20 are not catered for in WA.

This is advice from the WA Fire Brigades Board. I am not saying that it is right. It is probably an area in dispute; however, it should be made perfectly clear, so that people cannot appeal against that requirement and not instal that equipment. The board points out that the reference to section E1.7 shows that every other State, except Western Australia, has varied that code to cover this anomaly. Western Australia is the only State that has not varied the code. I am not suggesting that I have a handle on this complex area; however, if I cannot work it out after a lot of effort, the average person in the street has not got much show of doing it either. I will take up the Minister's offer of the discussion with those officers.

Hon George Cash: Although fire brigades are the portfolio responsibility of the Minister for Emergency Services, the Minister for Local Government is responsible for some of the regulations attaching to the matters that we have discussed, and I am more than happy to arrange a meeting for Hon Mark Nevill. This discussion has been positive. There seems to be some difference of view on the application of the regulations; however, nothing but good can come out of further meetings, and I appreciate the member raising the issue.

[Motion lapsed, pursuant to Standing Order No 72.]

MOTION - LAND MINES, BAN ON MANUFACTURE, SALE AND USE

HON GRAHAM EDWARDS (North Metropolitan) [3.07 pm]: I move -

That this House recognises the immense trauma and suffering caused to civilian populations in various countries by land mines and calls on the Federal Government to use its international influence to support a ban on the manufacture, sale and use of land mines.

I thank the House for allowing this matter to be dealt with. Some people might say that this is a matter over which a Legislative Council in a State cannot have much influence. However, it is a matter over which we should have some influence. I raised this matter after giving it some consideration. In essence, I am asking the House to pass a motion which would call on the Federal Government to use its international influence to place a ban on the manufacture, sale and use of land mines.

Perhaps it would be helpful for the House if I gave some background to this issue. When I was taught mine warfare in the late 1960s as a pioneer in the 7th Battalion Royal Australian Regiment I was taught conventional mine warfare; that is, mines are laid for two primary reasons. The first is to deny land or access to land to an enemy. The second is to channel an enemy into a particular kill zone which robs them of any initiative. Conventional minefields were clearly marked and usually surrounded by barbed wire, and protected by fire - that is, weapons and patrols. In addition, mines were put in the ground in a conventional way. After the war was over, the minefield was lifted and the area cleared and made safe for civilians and soldiers alike.

Vietnam changed all those conventions. When I first landed in Vietnam, a soldier who had been there for 12 months and from whom we were taking over, suggested to me the

big danger we would confront was not enemy soldiers but enemy laid mines. Since then that has been seen to be true. The fact is that most of the mines laid by the enemy came from our own conventionally laid minefields. In Vietnam there was an area called the "Long Green", which was a very rich rice growing area. A conventional minefield was laid in that area to deny enemy access to the rice growing fields. Of course, it was not properly patrolled. It was fenced, but not protected as it should have been, with the result that Viet Cong soldiers were able to sneak into the minefield, lift the mines and re-lay them. They did that to great effect. They did not abide by any conventions. They laid the mines below ground, and they had a great impact on both Australian and American troops.

In 1989, when I went back to Vietnam and spent some time with former enemy soldiers, I had in my possession an old army map which marked an area in which I was involved in a mine incident. A former enemy soldier knew the area very well and took me there. We got close to the area, and he said, "I would not go any further because there are still mines laid in this area, and we still have casualties among our civilian population when they go into this area." The area I am talking about was formerly used to plant rice and for grazing buffalo on the fringes. Vietnamese children used to play there. They were the victims of those mines. It was a traditional farming area and one where kids played. When the Australian forces were there, that area became a free fire zone and people moved out. Once the Australians moved out, the farmers, their families and kids moved back in. That is just in Vietnam. Mines are a problem not only there but also in places such as Rwanda, Afghanistan, Cambodia, Mozambique, and Somalia, to name a few. Africa is said to be the most mined region of the world, with between 18 million and 30 million mines laid in 18 countries. It is also estimated there are 100 million uncleared mines in 62 countries.

From some research I have done, I understand that a group called the Arms Project of Human Rights Watch has reported that in recent years China, Italy and the Soviet Union have been the biggest producers and exporters of antipersonnel mines. Although Australia does not manufacture mines, it certainly stockpiles them and has mines on its register of weapons. Global production of antipersonnel mines is said to be worth at least \$50m and possibly \$200m annually. Mine clearance and disposal requires massive effort and resources. It is also hazardous to those people who have to carry out mine clearance. On average, one disposal expert is killed and two are injured for every 5 000 mines cleared.

I also have some statistics which relate to the human cost of land mines. A conservative estimate is that each week more than 150 people around the world are killed or maimed by land mines. Other figures range as high as over 625 killed a week. For every mine victim surviving a blast, two die. Out of 14 221 war wounded treated in Red Cross hospitals in Asia between January 1991 and June 1992, 23 per cent were injured by antipersonnel mines. Of these victims, 21 per cent were women and children. In some countries about 75 per cent of survivors require amputation. In 1991 the Red Cross fitted prostheses to 7 876 amputees, of whom 26 per cent were women and children. According to the International Red Cross, children's prostheses should be replaced every six months, and adults' prostheses should be replaced every three to five years. A 10 year old child with a life expectancy of another 40 to 50 years would require about 25 prostheses throughout life. At an average cost of \$125 for each prosthesis, that is a total of \$3 125 for artificial limbs. Tragically, most of these children live in countries where the average monthly income is less than \$15.

Military experts are now questioning the value of mines. A former American Marine Corps commandant, General Alfred Gray, told a conference in 1993 -

We kill more Americans with our mines than we do anybody else. We never killed many enemy with mines . . . I know of no situation in the Korean war . . . nor in Panama, nor in Desert Shield-Desert Storm, where . . . mine warfare truly channelled the enemy or brought them into any destructive pattern.

We debated in this place a motion moved by Hon Derrick Tomlinson relating to atomic

testing and the ramifications of the use of atomic weapons in war. However, we seem to let slide this real problem that exists with mine warfare. I guess that is because we can see that the impact of atomic weapons on the globe and humanity is potentially much heavier. In the meantime this staggering human cost goes unaddressed by many countries, and many people in our community. It is for that reason I am prepared to give my support to those many agencies and groups in this community that believe they are entitled to ask why there is not a ban on the manufacture and use of mines. It is a fair question, particularly when we as a nation are involved, rightly so, in mine clearance.

It seems to me we are working at the wrong end of this issue. Surely if we could prevent the manufacture and use of mines, we would not have to spend so much of our resources on trying to clear mines after they have been laid. Conventional mine warfare is a thing of the past. These mines increasingly are being used in an unconventional way, with the traumatic impact revealed by the figures I have given to the House. For example, one of the most recent types of mine to be used is a very small mine that is packed with dozens of others into a large shell. The shell is fired into a target zone. When it explodes, those small mines cover a given area, often rice paddies or bush, where there may be enemy activity. When the mines land, they arm themselves by sending out a very long wire or spike. Once the spike is moved, the mine activates, rises above the ground and explodes, spreading fragments across a very wide area. When mines like that are used, they are not cleared. When the conflict is over, the mines remain as an incredible danger, not to an occupying army or other soldiers, but to civilians, and particularly children or farmers trying to go about their traditional business.

The position of the Australian Government is rather disappointing in that it does not support a total ban on land mines. The Australian Government, and I am sure the Australian military, view land mines as a conventional weapon of war to which they should continue to have access. I can understand the military view about mines, but I simply cannot understand why a humanitarian view does not override the military view. It seems to me that the military has people who are bright enough, and we have technology which is far enough advanced, for us to find a substitute for mines. I am not saying that Australia is part of an organisation which has used mines in any way other than conventionally. However, as I said earlier, the Convention on Mine Warfare has changed to the extent that we must now rethink the use of mines. It is fair enough for soldiers to have to accept the fact that they have a dangerous occupation and that, from time to time, they must confront weapons such as these. However, it is unacceptable for Australia to support, in a sense, the use of weapons which are not being used to great effect in a military sense, but which are being used with devastating effect against civilian populations. For that reason, the Australian Government should be prepared to take a lead, particularly in the Asian region, and say that we, as a nation, will support the ban on the manufacture, sale and use of land mines. I am sure that if Australia did that, it would be setting a lead which other countries would follow.

Once again, I thank the House for giving me the opportunity to bring this matter to its attention. As I have said, members may feel that this issue should be placed on the agenda of the Federal Government and Federal Parliament rather than on the agenda of State Parliament. If we take an initiative on the issue, that may well cause the Federal Parliament or Federal Government to accept that it should review its attitude to mine warfare. I am sure that members will recall that very haunting and traumatic photograph of a young girl running from a village in Vietnam naked and screaming with incredibly bad burns on her back from napalm. That vision was flashed on televisions throughout the world. That picture was one of the most important pictures to come out of Vietnam as I am sure it changed the minds of many people who, until that time, had supported the Vietnam war. In relation to the trauma that young children face today, we will never have one photograph which will capture to that degree the hearts and minds of people around the world and cause them to have the influence that they had then and which perhaps led to an earlier cessation of Australian and American involvement in Vietnam. The same suffering and trauma exists out there today with kids, but the same photograph does not.

I congratulate aid organisations around the world that are trying hard to force Governments to rethink the issue. I wish them every success in their task. I hope that sooner or later people will realise that there are alternatives and we do not have to rely on weapons of war which ultimately have their greatest impact, not on soldiers, but on civilian populations once the conflict is over. I commend the motion to the House.

HON J.A. SCOTT (South Metropolitan) [3.27 pm]: I am pleased to second the motion. Although it involves matters which are a long way away, the issue affects many thousands of people directly and indirectly across the world where there have been conflicts in recent years. I was not in the Chamber for the beginning of Hon Graham Edwards' speech, but I have been made aware of the incredible damage caused by mines which are designed not to kill people, but to maim them so as to cause the greatest waste of time and resources for the opposition armed forces. Quite often innocent children and people in communities suffer terrible damage in the end. Children in this country run around in the bush and enjoy themselves. We would certainly be horrified if they lost their limbs and suffered horrific injuries that maimed them for the rest of their lives. Australia is a very wealthy country. As Hon Graham Edwards has pointed out, the victims of such a western product are people in third world countries. I should not say that it is only a western product, because communist countries and eastern countries produce mines as well. The victims are unable to pay for the necessary repair work or for the ongoing treatment that they will require throughout their lives. In a country in which everyone must work to make a living, it is impossible to do that. Mines are a particularly nasty product that the world can certainly do without. They cause huge world aid resources to be pumped into trying to repair some of that damage. Those resources could be used in other ways if we did not have such devastating weapons.

Hon Graham Edwards was right to say that we should target the manufacturers of those weapons and ensure that they are not made in the first place. As we know, there is great pressure on countries to arm themselves. I include some great powers such as the United States. Most people will be aware that armaments manufacturers have great power in ensuring that government decisions come to fruition in their favour. We must target our aid to foreign countries and make sure that it is not in the form of any military equipment. We should give aid in peaceful forms such as expertise, agriculture and education. We should not provide countries with weapons to cause problems in the first place.

Hon Graham Edwards will find that my Green colleagues have raised the issue on at least one occasion in the Federal Parliament. They are certainly very interested in doing something about that horrific problem. We can send the message to the Federal Government that we are not happy with the lack of action by Australia, even though we have quite a good record in terms of nuclear weapons, and even though, once again, we are doing nothing about our supplying the goods with which to make those weapons. I support the motion.

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

STANDING COMMITTEE ON LEGISLATION

Thirty-seventh Report Tabling

Hon Derrick Tomlinson presented the thirty-seventh report of the Standing Committee on Legislation in relation to the Security and Related Activities (Control) Bill 1994, and on his motion it was resolved -

That the report do lie upon the Table and be printed.

[See paper No 1055.]

WATER CORPORATION BILL

Committee

The Deputy Chairman of Committees (Hon Barry House) in the Chair; Hon Peter Foss (Minister for Water Resources) in charge of the Bill.

Clause 1: Short title -

Hon SAM PIANTADOSI: As has been indicated, the Opposition does not support the Bill. I restate that it is a step towards privatisation. The other example of water privatisation in Australia is in South Australia, and we all know what has occurred there. Cases in the United Kingdom have also demonstrated that such legislation is a step towards privatisation. I urge the Government to ensure that there are protective measures. The Minister assured me in a conversation earlier today that the Minister will have discretion and power to make changes. In responding to the concerns raised by the Opposition in the other place, the Minister said he could not give any guarantee beyond the year 2000. That is a matter for concern.

Western Australia is a dry state within a dry country and the Minister must give consideration to including more concrete proposals in this legislation to ensure that the Water Corporation and the Water Resources Commission cannot be privatised. The prospective purchaser of such corporatised bodies would have the monopoly and it would be a very attractive proposition.

The corporatisation of the water utility in the United Kingdom and other countries resulted in an increase in the cost of water. In his response to the second reading debate the Minister said that the increase in the cost of water in the UK was necessary because the infrastructure had been run down and needed upgrading. Putting that aside, the increases in the cost of water have been significant. Consideration must be given not only to the cost of upgrading the infrastructure, but also to the increases in the salaries of the officers and board members of that corporatised body. Why did those people award themselves hefty pay rises? It is obvious that there is a lot more involved and that they are interested only in their salary packages. It is very difficult to accept the Minister's argument that the increase in the cost of water in the UK was solely to upgrade the infrastructure.

I can accept part of the Minister's argument because in many areas of the UK the infrastructure would have been in place for many years and would need replacing. However, I cannot accept that in a five year period many individuals at a senior level in that organisation received salary increases in the order of 60 per cent. We are not being told the whole story. They were able to increase the cost of water because they had the monopoly. A similar situation should not be repeated in Western Australia. One could say that consideration should be given to privatising some of the major regional water supplies in Western Australia. However, I am sure the geographic environment of this State will ensure that will not occur.

Sitting suspended from 3.45 to 4.00 pm

Hon SAM PIANTADOSI: The Opposition's concerns have been mentioned by me and other speakers. As we go through the clauses other concerns will be highlighted. The existing structure and organisation of the Water Authority has provided an excellent service to the people of Western Australia for a long time. Its standard of service and expertise is well known throughout Australia and South East Asia. The Opposition does not believe that should change and, therefore, opposes this Bill. I hope that the Minister and members opposite heed our concerns.

Water is a resource unlike any other, and the Government should consider that when it relies on the thrust of the Hilmer report for its motivation. Every human being needs water to survive, and a profit factor should not be imposed on water. The Opposition believes that is where this Government is heading. We oppose any restructure in the future that will put water beyond the affordability of Western Australians. If we cannot have water, we cannot exist.

It is evident from what has occurred with AlintaGas that many families are struggling. Clive Brown, the member for Morley in the other place, exposed what happens in an organisation which is headed towards privatisation. AlintaGas is threatening already to cut off or restrict supplies of gas. Some 15 years ago I went through a similar exercise, where a previous Court Government placed discs into householders' water pipes to

restrict the supply of water, without reference to the community. There was an outcry, and following action by members of my union at the time and the campaign that followed, Sir Charles Court changed his ways. Some members will recall that a number of people were put at risk at that time.

If the Water Corporation is established and moves a step closer to privatisation, as is the case in South Australia, history will be repeated and a number of people will be put at risk again. The Minister should consider those important factors. Water belongs to everybody. It is one resource on which we cannot put a price tag.

Hon PETER FOSS: I cannot disagree with anything that has been said by Hon Sam Piantadosi. However, I draw a slightly different conclusion. There is no doubt that corporatisation could be a step toward privatisation. That would be one of the ways to go about privatisation. Certainly this Bill is not privatisation; that could only be achieved with another Act of Parliament.

Hon Sam Piantadosi: That will happen.

Hon PETER FOSS: I accept the member's logic; however, it is also a step towards economic reform which has been agreed to by all States and the Federal Government. As I mentioned before, Hon George Gear was quick to point out on behalf of the Federal Government that doing these things does not mean one must privatise. I accept that it would be easier if the organisation operated on commercial bases; it is easier to sell a commercial entity than a government entity. The risk is that some future government will go towards privatisation. Frankly, I think it would be wrong, and my Government thinks it would be wrong. The member is quite right; I cannot predict what a Government of either persuasion would do in the future. On a federal basis the Labor Government has sold off and privatised more assets than a Liberal Government. This may provide a temptation to somebody in the future, and that risk is present. However, it is inherent in turning the authority into a more appropriately economically driven body. Even though Hon Sam Piantadosi believes the motive is profit, one of the reasons that the national competition policy has been put in place is because Governments can soak utilities for one heck of a lot more than do private operators.

One of the issues that led to a problem at the Council of Australian Governments was that many of the States were not prepared easily to give up the benefits they obtained from soaking these utilities. One of the disciplines is that we cannot say, "We need to take more out by way of dividend; if you whack up the price of water, there will be more profit that we can take out by way of dividend." I am pleased to say that one of the States that does not receive huge benefits from soaking utilities is Western Australia. Historically, WA has not taken huge amounts of money out of its utilities. Some states had huge problems. Queensland was a classic example with its railways, which were a way of taxing.

Hon Kim Chance: Queensland had very low royalties. When one compares Queensland and New South Wales, one sees Queensland has low royalties and high rates and New South Wales has high royalties and low rates.

Hon PETER FOSS: That is true. However, it would be silly to believe that taking money out of utilities and other services is confined to private enterprise. Hon Kim Chance will find instances around Australia where the amount being taken out was regarded as improper. One of the disciplines that is imposed by the national competition policy is to try to make certain that Governments do not soak the utilities. Although I accept the points made by Hon Sam Piantadosi, and I do not think I can quarrel with any of them, I disagree with where I see this going. There is always a risk that a future Government may be tempted, because the money will be there and it is a way to get capital. However, it can still do that, whatever we do now. All this does is make it a slightly more encapsulated body to move that way. I do not think we are at odds in terms of the possible branching lines down which we can go from here. I say categorically that that is not our intention, although I cannot answer for anybody in the future. I have formed the opinion that that is not the way to go, and that has been the view of this Government.

A comment was made that the United Kingdom authority did increase its assets. That is small in terms of the total charges. The big difference between the water authority in the United Kingdom and ours is not just the state of our assets, but our reserves. We get money in advance prior to investing in new assets. We pay our share of the costs that have already been expended on an historical basis. If it is a 100-year asset, it is a pretty small cost. Because the Water Authority uses a depreciation on replacement cost method of accounting, a kitty has been building up for replacement of items. For some years the Water Authority has paid for its share not only of the historical cost but also the current replacement cost. In fact, I think it was introduced under a Labor Government, and it is a sensible idea. Some may have some logical objections to it and say that people are paying in advance - for instance, people may be paying for up to 50 years in advance before money is spent on an asset - but everybody gets the benefit of that. The Water Authority does not stick the money under a bed; it uses it as its financing source instead of taking out loans. It is paid back into its reserves. In the end everybody benefits.

Hon Kim Chance: The public benefit is from horizontal equity.

Hon PETER FOSS: That is right. When an asset is bought, there is not a sudden rise in costs with any appreciable and obvious difference in the service the Water Authority provides. That system has come about because of the bipartisan approach taken. It has been a very sensible approach by the Water Authority, and I do not think anybody objects to it.

Hon Kim Chance: Only Treasury.

Hon PETER FOSS: Even the Treasury knows -

Hon Kim Chance: It took us a long time to convince them.

Hon PETER FOSS: Not only has Treasury adopted it, but it has also agreed to calculation CSOs on that basis.

Hon Kim Chance: You must have put them in a dark room for a long time!

Hon PETER FOSS: No. Things change. That is another difference between our system and that in the United Kingdom. Our assets are not run down hugely like those in the United Kingdom. More importantly, our accounting treatment, as Hon Kim Chance says, gives horizontal equity, and that makes a huge difference. We have a prudent way of dealing with this matter. We should pay tribute to the late Hon Andrew Mensaros, who was involved with instituting this system. He was one of the first Ministers to insist on full funding of superannuation; therefore, the Water Authority does not have one of those massive liabilities.

Generally speaking, the Water Authority has been a very prudent money manager. It is the sort of body that will not give us some nasty surprises. I pay full tribute to the attitudes of the various Governments to it over the years, and to its management. I accept the view that it is a good system. To that extent, it does differ from that in the United Kingdom.

The member mentioned that water is a different commodity. It happens to be mentioned in the COAG document. It was slipped in at the last minute by the Federal Government. We have some difficulties with it in the area of irrigation and the like where, as would be expected, an Eastern States Murray-Darling perspective is being taken. I do not think that is applicable to Western Australia and we will need to work through that as we go along. Our problem is that we cannot suggest an alternative because we have not grappled with this issue. As I said, it is specifically dealt with in the COAG document. We just cannot say that we do not agree. It is a spotlighted area of national competition policy attention. One of our first obligations will be to deal with the significant government business enterprises, and the Water Authority is way up there with the best of them. Irrespective of whether we like it, this is an area that is under the spotlight to be dealt with under the national competition policy.

The member also mentioned salaries. They are set by the board, but that power cannot be exercised except by consultation with the Minister. I have available to me the Salaries

and Allowances Tribunal for advice. I would expect to take its advice before allowing the exercise of those powers. We do not differ on the facts. I do not think those opposite are saying one thing and I am saying something totally different; we are all agreeing.

I agree with some of the scenarios that have been put forward. I agree with the cautions that have been made; I do not have a problem with them. We have no alternative but to continue this process of change. In any event, even if there were an alternative, I happen to think this is the right policy. I am conscious of the concern that in the future it may lead to privatisation. I cannot tell members not to have concern about that because I cannot speak for future Governments; however, I happen to believe this is a better way to go in terms of the value that will come to the people of Western Australia and Australia, given the changes that are occurring on a national basis. Ultimately we will give better value to our customers. It is about time that we took that focus. Over a number of years the Water Authority has focused on a number of areas. A customer focus in terms of value and delivery of a quality service and being responsive to public demand is essential. In the past the attitude has been that things will be done when the Water Authority is ready to do them. That attitude is changing and that is for the better.

I take note of every caution that has been suggested. It is a matter for caution. I would be foolish to say that I have not had my concerns in the process that we went through. A major change like this cannot occur without causing some concern. We tried to be as conservative as we could, to feel our way into a lot of the changes. Many speakers have referred to other changes that are not directly connected to this legislation. As much as possible I have taken a conservative approach, being very mindful of the matters that have been raised. With regard to many of the matters that have been raised in the Parliament, I have put measures in place to try to address them. I hope members feel that to some extent I have addressed some of the problems raised by dotting some i's and also crossing a few t's. I do not ignore what has been said and I have tried to deal with these issues. There is certainly a need for a conservative approach and I have tried to follow that approach.

Hon KIM CHANCE: I thank the Minister for his comments. It is valuable to begin the debate on this series of Bills in Committee by having an understanding of what we are dealing with. There is an amazing level of not so much misconception but outright ignorance within the general public of the scale of the Water Authority of Western Australia. I might have touched on that briefly when I compared the scale of the assets of the Western Australian Water Authority with those of the water authority in South Australia. I wonder whether the Minister can give me a rough idea of the gross worth of the -

Hon Peter Foss: It is \$8b; I thought it was \$7b.

Hon KIM CHANCE: I would appreciate the Minister formally putting that information on the record. It is a very considerable amount. Another point which has not been made, at least not directly, unless I have missed it in the second reading debate, is that the Water Authority of Western Australia, unlike any other utility corporation in the State, is very much a low debt or even a no net debt corporation.

Hon Peter Foss: It is no net debt.

Hon KIM CHANCE: It is important to make that observation. I was sparked to get that on the record by the Minister's comments about the asset replacement provisions. What is the gross worth in round terms?

As a board we had difficulty trying to convince Treasury that this was a good idea. I am pleased to hear that Treasury now has some enthusiasm, because it took us a long time; we gained that by increments.

Hon Peter Foss: "Acceptance" would be a better word.

Hon KIM CHANCE: Yes. I am sure that Treasury in those early years was convinced that the board was trying to create a slush fund that would make us independent of everybody. That was far from the board's intention. The other problem was with government itself. If Treasury thought we might have been trying to create a slush fund,

the Government was convinced that we had created a slush fund and was determined to take it from us.

Hon Peter Foss: I think you had.

Hon KIM CHANCE: No, not really. The Burke Government at the time was assiduous in finding corporations that had spare money lying around. The Water Authority's funds were visible and were identified quickly. It was that which led to those changes in 1986 and 1987 and led the board to go back into the system of cross-subsidisation because we lost most of our consolidated fund component that we used to subsidise country operations.

The Minister commented on the current authority's attitude to public satisfaction. I remember that the Water Authority seemed to pay a lot of attention to polling and monitoring levels of public satisfaction, even in those days. I remember that the executive, in particular, was extremely conscious of response levels. We used to monitor to the second the time it took to answer a telephone, the time people had to wait at the Leederville office to pay accounts, and the time it took us to pay our invoices, although that was a broader procedure introduced by the Burke Government applying across all agencies in response to the fact that the State was regarded, quite properly, as a lousy payer. That was an area in which the Burke Government had significant success. We shortened our time by some 22 days over that period. The Water Authority was, and is - and I suspect that the Water Corporation will be - an engineering body first, second and third. Sometimes it is difficult for a body of that size which is geared almost totally to its engineering function to adopt that warm and fuzzy public approach that perhaps we would like it to be a little closer to. Although it was an engineering body, it was conscious that it perhaps was not perceived by the public to be as responsive as it should have been. I would not like anybody to think that officers of the authority, even as long ago as 10 years, were not trying to improve the authority's image.

Hon PETER FOSS: I should clarify this question of the \$8b assets; that figure is on the basis on its replacement cost valuation. That is different from two other values: One is the historical written-down value, which would obviously be considerably less than that; and the other is the market value. When we talk about the possibility of privatisation, nobody in his right mind would pay anything like the replacement cost value for all those assets; in fact, probably not even the written-down market value, but a capitalised revenue value, would be paid for those assets. I do not know what figure that would be. Unfortunately, I do not have the figure for the net debt. I would not want to hazard a guess.

Hon Kim Chance: That does not matter. I make the point just that it is a low debt.

Hon PETER FOSS: Yes, it is. Customer satisfaction monitoring is still done. Phone answers are still timed. There is a counter on the wall and statistics are kept. The area I refer to, to which there is a different attitude, is outside the paying of water bills when people want a new service. That is, people will get the service when the authority is ready to add it.

Hon Kim Chance: That is the engineer speaking again: "You will get it when it is efficient for me to provide it."

Hon PETER FOSS: People get frustrated when, for example, they want water in a new subdivision and the authority says that it will not do that subdivision yet. When they ask why not, they are told that it is not in the authority's program; and when asked how they can get it in the program, they are told that the authority will work that out. That "we are the Government" type of attitude must change.

Hon Kim Chance: I think it is a "we are engineers" rather than a "we are the Government" attitude.

Hon PETER FOSS: It drives people mad. The Busselton Water Board has a different attitude to that. It almost looks around for somebody who has a subdivision and needs water. It has an entrepreneurial attitude towards looking after its area. It is conscious that it is in an area in which subdivision is going ahead at a rapid pace, that it has

financial benefits for its local area, and that there is a perceived need in the community that when something is to come on-line, it is important to get water to it quickly. I am sure the Chairman (Hon Barry House) would agree with me that its response to these demands is different from the Water Authority's response. Already the Water Authority thinks that it should respond to that demand. Already, because at 1 January it faces that sort of competition, it is starting to think about how it can respond in the way others respond.

Bunbury is conscious of Busselton being next door and doing all these things; therefore, it is looking to give the same sort of service. All three in the area are looking to ensure that they respond to needs. That is a good thing. It is vital that the people who pay their water bills are looked after. However, that is not the whole business of the Water Authority; it goes far beyond that, especially in a State like ours that is developing and expanding quickly. Some of those services are the ones that make a difference to cost through the type of service provided and how efficiently and well it is provided. That attitude to providing it when the authority is ready applies also to how it is done; for example, that is the engineering it uses and that is how it will be done. Sometimes the methods followed may not be cost effective, but why does it need to think about changing or responding to the latest technology or methods of planning and all those things that lead to a better service? I do not say that as a criticism. However, why should the authority think to provide a better service? Where is the incentive?

Hon Kim Chance: I think you are being a touch harsh. It is very innovative; for example, in the tunnel technology and the use of polyvinyl chloride.

Hon PETER FOSS: PVC is used now; however, the member should consider how long it took for PVC to be introduced into Western Australia.

Hon Kim Chance: It had to be proved to meet the authority's engineering standards, which were very high.

Hon PETER FOSS: Indeed; always for the best of reasons.

Hon Kim Chance: We don't have houses falling into holes as we saw on television the other day.

Hon PETER FOSS: That is true. Notwithstanding that, people who have dealt with the Water Authority have had that concern about response times. I do not say that by way of criticism, but by way of ethos. Even now, although WAWA has been put together for some time, we can tell the difference between the ex- metropolitan water people and the ex-public works department people.

If one talks for a while to someone involved in water, one can probably say one knows where they come from, because ethoses die hard. In many ways one of the strengths of the Water Authority of Western Australia has been the blending of those two quite different ethoses. We do not want to discard the past. We are not suggesting by any means that the good values and the wonderful things that have been done in the past should be lost. We are suggesting that now is the time to tackle another area in the way that the Opposition took up direct customer service for water consumers as being one area in which the authority was to make a positive effort. We are dealing now with the next line-up, and I think this will have a positive result. What was done before was positive and I see no reason why this should not be.

Hon J.A. SCOTT: Some changes certainly have been needed to the laws pertaining to the supply and protection of waters in this State. I remind the Minister of the debate on the Myarra Brook. Local communities were angry about who was allocated water from that brook and about the environmental problems caused by too much water being drawn from it. I am not convinced that this change in structure will look after those problems. I cannot see in these Bills how a problem like Myarra Brook could be resolved. I agree with the previous speaker that WAWA is probably one of the better-run organisations of all the state bodies.

Hon Peter Foss: Especially since February.

Hon J.A. SCOTT: If the thing is not broken, why fix it, as they say. I am still very concerned about the rush to embrace Hilmer and the ongoing sale of state infrastructure, usually to overseas corporations.

Hon Peter Foss: We are not selling anything.

Hon J.A. SCOTT: The Minister says he is not, but I read in the second reading speech that the thrust of the legislation is to position the corporation so that it is able to compete against potential new entrants into the water services industry. I am not quite sure what that means, if we do not have other people operating in that area.

Hon Peter Foss: We do not have to sell anything to do that.

Hon J.A. SCOTT: We sell the right to other people to start distributing water or whatever. Obviously in order to have competition we need other players. What does the Minister mean by obtaining this new competition without having other players in the game? Another area I am concerned about is the slowness of the move to look at white water and all water reuse in this State, and to reduce overall water use, and how that balances out against the type of scenario the Minister mentioned in reply to Hon Kim Chance when talking about the private corporations responding to demand.

Hon Peter Foss: It is a response to service and not demand. The corporations will continue to have a water wise message.

Hon J.A. SCOTT: The Minister has said that he cannot guarantee that this privatisation will not occur, but if there is a move towards water delivery by private corporations, what will prevent the tension between saving and reusing water, and selling as much as possible to make a bigger profit?

Hon Peter Foss: The tension is already there. The Water Authority has some costs, and that internal contradiction is there already.

Hon J.A. SCOTT: How will this set of Bills help? The Minister said that no-one in his right mind would pay the full price for the Water Authority's assets.

Hon Peter Foss: They would not pay replacement value; they would not even pay book value; and they certainly would not regard the value as being market value.

Hon J.A. SCOTT: If these assets have such a high value, how does the corporation upkeep the assets? If it does not upkeep the assets and they run down to the point where we do not have service delivery -

Hon Peter Foss: I cannot answer those questions because they are concerned with other Bills. The member is asking questions not related to this Bill.

Hon J.A. SCOTT: The Minister mentioned corporatisation in his second reading speech.

Hon Peter Foss: The mechanism is in another Bill.

The DEPUTY CHAIRMAN (Hon Murray Montgomery): Order! Members should talk through the Chair. Then everybody can participate in what is going on and Hansard can hear what members are saying.

Hon PETER FOSS: The difficulty I have is that I am being asked a whole lot of questions which are related not to this Bill but to another Bill which deals with all the member's questions about how we control and maintain conservation.

The DEPUTY CHAIRMAN: In that case, the member should bring those questions and queries to that Bill when it is debated. We should be debating the Bill before us.

Hon J.A. SCOTT: As I pointed out, the second reading speech refers to the first piece of the legislative package before this House which will create the corporatised identity to carry out the water utility functions of supply of water and its collection and disposal. It also refers to paving the way for a new competitive environment for the water industry. This is precisely what I am talking about. Unfortunately, these Bills are intertwined, and it is very difficult to take this Bill entirely by itself without referring to the effects of the other Bills on it. I am talking about the delivery of the product with reference to paving the way to a new competitive environment. We expect some shortages of this product,

and we must preserve it in this State. I am worried about the competitive environment and whether it will create a situation which will encourage the overuse of that resource, rather than using innovative technology to reuse and recycle water supplies. Unless this set of Bills enables that to be done, there will be a loss to this State rather than a gain.

Hon PETER FOSS: I will have to range over some of the other Bills to answer that question. The Water Authority currently sets and enforces all its standards, and it is the arbiter of whether they succeed or fail. That applies to whether it is a commercial, technical or environmental standard. Nobody has the expertise to challenge the Water Authority on many of the things it says. Obviously there are people with the individual capacity to challenge, but in terms of the mass of data, people and resources, WAWA has got the lot.

One of the concerns that people have is that no-one is really in a position to gainsay the Water Authority.

Secondly, if the Water Authority does not meet the standards that it sets itself, some of which are set impliedly and some of which are set expressly, there is no sanction. Clause 33 of the Water Services Coordination Bill provides that standards can be set under the regulations, and there are consequences for failure to meet those standards.

Hon Sam Piantadosi: That is a bit of a furphy, surely, because the Water Authority would have only just been split and the same people who had come out of the Water Authority would be the people who were setting the standards.

Hon PETER FOSS: That is an interesting point. That will not be the case. I suppose I can say with some confidence as a lawyer that when we give people a different job and purpose, they have the capacity to take on that new role. It is rather like making a poacher into a gamekeeper. It is said that the best gamekeepers are former poachers because they know all the lurks that are there.

Hon Kim Chance: It is like reformed smokers!

Hon PETER FOSS: Yes.

Hon Sam Piantadosi: The expertise will still come from the same source.

Hon PETER FOSS: Yes, but it will be in another structure altogether - the Water Resources Commission. The member may not agree with me, but my experience has been that if we put people in a different organisation, give them a different job, a different outlook and different people to respond to, they respond differently. Lawyers do that many times a day. They have a capacity one moment to represent a worker and the next moment to represent an employer, without any problem whatsoever. They have the ability to take a totally different point of view. It is a matter of responding to the exigencies at the time. Sometimes people within the Water Authority feel that way, but the people further up the line do not regard it as appropriate for them to feel that way. However, if they are taken into an area which has a different ethos, it has a different effect.

In regard to Myarra Brook, a different body will administer that. The law will not be changed. We have purposely avoided changing the law simply because when Hon Ernie Bridge tried to do that, it caused such a furore that we thought we would not confuse these two issues, which are quite separate. One issue is the structure of the people involved in the administration of the law, and the other issue is the law itself. That issue is being worked through by means of a public consultation process, and I hope that in due course - I do not think it will be in a short period of time knowing that sort of law and that sort of consultation process; I suspect it will be a few years - we get legislation into this Parliament as a result of that public consultation process. We have carefully put to one side the inadequacy of the law, which everybody knows exists, and that will be a job for another day. The conflict between conservation and consumption exists already. There is no doubt that every now and again when we have severe water restrictions and the volume of water sold decreases, it hurts the Water Authority. The problem is that the one body is doing both things.

Hon Kim Chance: It has always struck me as being very silly that the Water Authority is spending a lot of money to convince its clients not to buy its product.

Hon PETER FOSS: I know, and at least it will seem more logical when the Water Resources Commission carries out that role.

Hon Kim Chance: It will make more sense than a monopoly advertising to tell its customers not to buy its product.

Hon PETER FOSS: That is true. The Water Authority does that because of its water resources responsibilities. However, under paragraph (n) of Schedule 1 of the Water Services Coordination Bill, a water services licence may include provisions requiring the licensee to develop and implement specified programs for the conservation and efficient use of water, including programs intended to educate the community about the conservation and efficient use of water. People do get a bit confused by the Water Authority telling them not to use water because they find that a mixed message; but it is, nonetheless, an important message and one that I have supported. I have tried to say to people that the fact that we do have plenty of water does not mean that they should use all of that water. I have had some problem getting across the two messages at the same time, because people sometimes find that difficult to understand, but I think both messages are getting across now. For some time, people were saying, "We must be short of water because the Water Authority is telling us not to use water." The reason is not that we are short of water but that we should not waste water. The Government is already trying to get those messages across, but because the same organisation is trying to get across both messages, the emphasis is sometimes lost. If the Water Authority happens to have a chief executive officer who is keen to get money in and water out, that is where the emphasis goes. If, on the other hand, it has a chief executive officer who takes a more responsive attitude to environmental matters, that is where the emphasis goes.

Hon J.A. Scott: With electricity provision, the United States has found that those services that provide for conserving energy are bringing in much more money than those services that sell electricity.

Hon PETER FOSS: I do not think we should do what they do in the United States, although that does not mean that in future we may not consider that as a mechanism that we need. The time may come when we should look at whether there should be an active financial incentive to make savings, but we have not reached that stage, and I doubt that we ever will. However, that does not mean that if we did reach that stage, we would not look at it. This suite of Bills provides a more logical balance, where the Water Resources Commission will have that responsibility. It will not have any ambiguity or schizophrenia about its message. Its message will be quite clear: Preserve our water; do not waste it; and preserve the land that the water flows over and into. That will be an important message for the Water Resources Commission because that will be one of its responsibilities. Another of its responsibilities will be to ensure that it keeps in mind its community service obligations in regard not only to money but also the environment.

Hon SAM PIANTADOSI: The more I hear the Minister clarify points, the more concerned I get about where it is heading. I am grateful to Mr Ferguson for pointing out to us that the Water Authority is currently valued at about \$8b as a monopoly, and if it could be picked up for about \$3.5b to \$4b, it would not be a bad exercise. I am not sure about what occurred in South Australia - Hon Kim Chance may be able to enlighten me - but it was in the vicinity of \$2b.

Hon Kim Chance: It was \$1.5b to \$2b, depending upon the offer.

Hon SAM PIANTADOSI: We are looking here at \$3.5b to \$4b.

Hon Peter Foss: I will find out what is the historic written down cost.

Hon SAM PIANTADOSI: I said during the second reading debate that what is worse from our side of the fence and what hurts a bit more is that the Federal Government originally offered a carrot worth approximately \$100m to \$120m to effect this change in the Water Authority. I assure you, Mr Deputy Chairman (Hon Murray Montgomery),

that it hurts me because all the way through we have been told by Hon Peter Foss that the organisation has been well run, it has been very profitable, and no-one can challenge the technology and expertise that has been accumulated over this time. With all of that in place, why change? Is it for the \$120m the Government will get?

Hon Peter Foss: No.

Hon SAM PIANTADOSI: The only other conclusion I can reach is that the Water Authority is being set up to be privatised.

Hon Peter Foss: No.

Hon Max Evans: There is not much profit in it.

Hon SAM PIANTADOSI: We were just told quite the opposite. Unfortunately Hon Max Evans was not here. He should be very careful.

Hon Max Evans: I would like to make much more profit.

Hon John Halden: I invite Hon Max Evans to do it next year.

Hon SAM PIANTADOSI: I do not want to take advantage of Hon Max Evans because he was not here at the time the Minister for Water Resources said that the Water Authority was run very profitably. One does not know what goes on within Cabinet. Is Hon Max Evans being greedy and looking for more profit? I would be loath to see changes when the profit made by the Water Authority is good compared with other utilities. The Minister has acknowledged that the organisation is well run. In conversation with both me and Hon Kim Chance the Minister has agreed that the Water Authority runs smoothly. Therefore, why change?

Hon Jim Scott referred to standards. The Minister said that splitting the Water Authority will provide another structure which will concentrate on setting standards. However, the expertise already exists within the one organisation. Although that expertise may be varied now owing to the different areas of responsibility, by and large it still exists within the same source. With reference to whether the State has ample water supplies and contracting out of both southern and northern operations, some time ago - I am not sure whether it was during the time of this Minister - a study of alternative sources of water was undertaken and a document put out titled "Water 2000". One of the suggested alternative sources of water was treated water. Surely if one body had control of research and operations it would be much better able to benefit fully from its resources and facilities. If the structure is fragmented and operations hived off -

Hon Peter Foss: Operations have been hived off, but that is the doing in the field, not the management of the Water Authority.

Hon SAM PIANTADOSI: Surely Hon Peter Foss must admit that the ability to retain control of private operators in the field will be more difficult than control of permanent staff.

Hon Peter Foss: No. For the bloke sitting in his office at senior level it is a black box; it will be no different.

Hon SAM PIANTADOSI: It is not so simple because part of the authority's operations have been privatised. With that in mind the long term benefits will be even more difficult to achieve. Additional problems will arise. In debating this Bill, it is difficult not to relate to other Bills. During debate on clauses and amendments further down the track some of the problems arising from this legislation will emerge. The Minister, I and Mr Chance discussed the effects of the split on plumbing services and that more than just these four Bills is required. I am also concerned that we have not had the opportunity to examine and debate all the relevant Bills. A number of concerns have been raised concerning the plumbing Bill, which will be in the House in the future. The Minister acknowledged earlier today that some amendments will be moved during Committee to resolve problems. That in itself does not convince me of where the Water Authority and its operations are heading. I would like the Minister to state unequivocally that the Water Authority is not heading towards privatisation. The issues raised by Hon Jim Scott

should also be clarified. That does not appear to have been done. It was unfair to stifle debate by saying we digressed onto other Bills when in the first instance the Minister's second reading speech clearly did that. I oppose the Bill.

Clause put and a division called for.

Bells rung and the Committee divided.

The DEPUTY CHAIRMAN (Hon Murray Montgomery): Before the tellers tell, I cast my vote with the Ayes.

Division resulted as follows -

Ayes (13)		
Hon George Cash	Hon Barry House	Hon B.M. Scott
Hon M.J. Criddle	Hon P.R. Lightfoot	Hon Derrick Tomlinson
Hon B.K. Donaldson	Hon I.D. MacLean	Hon Muriel Patterson (<i>Teller</i>)
Hon Max Evans	Hon Murray Montgomery	
Hon Peter Foss	Hon N.F. Moore	
Noes (11)		
Hon Kim Chance	Hon John Halden	Hon Tom Stephens
Hon Graham Edwards	Hon Mark Nevill	Hon Doug Wenn
Hon Val Ferguson	Hon Sam Piantadosi	Hon Tom Helm (<i>Teller</i>)
Hon N.D. Griffiths	Hon J.A. Scott	
Pairs		
Hon E.J. Charlton		Hon Bob Thomas
Hon M.D. Nixon		Hon Cheryl Davenport
Hon P.H. Lockyer		Hon J.A. Cowdell
Hon W.N. Stretch		Hon A.J.G. MacTiernan

Clause thus passed.

[Questions without notice taken.]

Clause 2 put and passed.

Clause 3: Interpretation -

Hon KIM CHANCE: The definition of "subsidiary" refers to the rights of the corporation in various forms of joint or cooperative corporate ownership, specifically unit trusts, joint venture agreements and partnerships. I can understand why that is there. I imagine we are being asked to believe it is because the corporation may wish to enter into some kind of joint venture for the provision of core or even satellite services. It could quite reasonably be argued, in line with the argument made by Hon Sam Piantadosi, that it provides the capacity for the corporation to enter into a cooperative agreement of some type to provide the whole of the service. I ask a theoretical question: Does this definition throw some light on the future of the corporate ownership of the corporation?

Hon PETER FOSS: We are dealing with this definition only. The history of this goes back a while. It arose out of WA Inc, and the activities principally of Exim Corporation, although there may be some others, where a subsidiary corporation which had unlimited powers was formed to get around the limitations on the corporation. That was picked up by the Burt Commission on Accountability. As a result, two measures were put in place: Firstly, I introduced the statutory corporations directors duties Bill; secondly, I moved amendments to the Financial Administration and Audit Act which brought under the provisions of that Act any of these bodies. Later in the Bill the member will see the capacity for this to occur. More importantly, it picks up the accountability provisions. The Financial Administration and Audit Act also picks up the provisions that need to be stipulated in the articles of association and so on.

Hon SAM PIANTADOSI: I, too, refer to the definition of "subsidiary". In the debate in the other place the Minister for Resources Development said that this proposed authority

was not covered under the Corporations Law. I am a little confused. Although the Bill refers to the proposed corporation being set up under the Corporations Law, the Minister in the other place said that it was not a state Statute. Can the Minister clarify what is intended?

Hon PETER FOSS: What Hon Colin Barnett said is correct. It is not the Corporations Law; it is a law which, by reference, includes the provisions of the Corporations Law. For instance, we frequently point out something being treated as though it were a regulation under the Interpretation Act. We know it is not, but we often say that it should be treated as though it were.

Hon Kim Chance: It picks it up as a template.

Hon PETER FOSS: That is right. It is a shorthand reference to the animal that we are about. Mr Barnett is correct. This is not the Corporations Law. However, it says that if a body were a corporation under the Corporations Law, for the purposes of this definition, it is a subsidiary.

Clause put and passed.

Clause 4: Water Corporation established as a body corporate -

Hon SAM PIANTADOSI: I refer to the observations of the shadow Minister for Water Resources, in particular those relating to the reason for establishing the Water Corporation. I raised this matter during the second reading debate and the Minister was reluctant to give an answer, although he got to it eventually after he had been forced -

Hon Kim Chance: He was dragged kicking and screaming.

Hon SAM PIANTADOSI: How far has the implementation of the structure of the intended corporation progressed; what space has been let in other buildings; has the structure covering personnel been decided; and, if so, where will the personnel be located within the corporation? The only thing one must consider in this place is the numbers. To bring about change even before a Bill has been decided is a reflection on this Chamber.

The DEPUTY CHAIRMAN (Hon W.N. Stretch): Order! The member will restrict his comments to clause 4.

Hon PETER FOSS: I have already given an answer on this.

Hon Sam Piantadosi: You didn't; read it in *Hansard*.

Hon PETER FOSS: The member may not like the answer, but I gave the answer. Many things the Government does are permitted by the current law, and I will continue to do anything that is permitted by the current law. Things that are not possible without a change in the law will not be done. However, I would be remiss in my duties as a Minister not to have made preparations so that when other things can be done by the law, they will be in a position to be done.

Clause put and passed.

Clause 5: Corporation not agent of Crown -

Hon KIM CHANCE: Despite the fact that this is a brief clause of barely two lines it is extremely important. This clause separates the corporation from both its present position and, perhaps even more importantly, from the other agencies which are created by this suite of Bills, most notably the Water Resources Commission, which remains an agent of the Crown. The obvious connotation is that the Water Corporation not only is not an agent of the Crown but, more significantly, is not a consolidated fund agency. To a large extent this highlights the matters that were raised by Hon Sam Piantadosi in particular. The second reading speech acknowledges the move towards the corporatisation of the authority. If I have a criticism of the way that was expressed in the second reading speech, it is that it is already a corporation. If it were not a corporation before, it could be argued that as a result of the changes in clause 5 it can be nothing but a corporation now it has moved outside the scope of the consolidated fund.

Hon PETER FOSS: There is no difference in essence between this and the other two government agencies. The first reason for that is the Bropho case, which has distinctly limited the capacity of the Government to make agencies of the Crown. The second reason is that in those cases even though they say they are an agent of the Crown, they are subject to state laws. The only shield of Crown activity that can be looked at is the commonwealth laws. Under the Hilmer provisions and the changes as from 1 July 1996 that will disappear also. Therefore, the last vestige of the difference between the two will be from 1 July 1996.

Hon SAM PIANTADOSI: My concern remains because clauses 5 and 6 refer to the corporation not being an agent of the Crown and to the responsibilities of personnel not part of the Public Service. The accountability as presently defined clearly wipes that. Where does that accountability fit in? Basically these clauses lend weight to where we perceive the Water Authority to be heading; that is, down the road of privatisation.

Hon PETER FOSS: The accountability of public officers under this Bill is much higher than that imposed on Public Service officers.

Clause put and passed.

Clause 6: Corporation and officers not part of Public Service -

Hon SAM PIANTADOSI: To whom are the public officers and the members of the corporation responsible?

Hon PETER FOSS: The sequence of events is that clause 15 makes staff responsible to the board; they in turn are responsible to the Minister, who in turn is responsible to the Parliament. Perhaps the principle area of enforcement of responsibility is schedule 2, which deals with directors. Serious obligations are imposed upon them. By virtue of the nature of the board the degree of direct day to day responsibility is different from that currently stated because of the Minister's capacity to deal with it. He has the power to direct. A complex provision relates to that; however, his most normal method of control is through the two statements that are worked out - the strategic development plan and the statement of corporate intent.

Hon KIM CHANCE: How will clause 6(1) make the corporation different from the Water Authority as it is now, and how will that affect the status of employees?

Hon PETER FOSS: A number of staff are not public servants, but some of them are.

Hon KIM CHANCE: Will a large or small number of people be moved out of the Public Service as a result of this corporatisation?

Hon PETER FOSS: While I am obtaining the information on that, I will draw the member's attention to clauses 20 to 23. Although in clause 20 schedule 2 applies obviously to all duties of directors, clause 21 applies certain others to the chief executive officer, clause 22 to executive officers and clause 23 to members of staff. Members of WAWA are in the Public Service, so those currently in WAWA will cease to be members of the Public Service. That is one of the things we are discussing.

Hon Kim Chance: It is a large number of people.

Hon PETER FOSS: One must bear in mind that we have also contracted out a considerable number of employees, so it is a very significant number of people.

Hon J.A. SCOTT: I am a little confused about the relationship between clause 6(1) and (2) and clause 25. Clause 6 reads -

- (1) The corporation is not, and is not to become, part of the Public Service.
- (2) Neither the chief executive officer nor any member of staff is to be included in the Senior Executive Service provided for by the *Public Sector Management Act 1994*.

Clause 25 reads that the Commissioner for Public Sector Standards may in writing require the board to do various things. Is it correct that even though the corporation will not be in the Public Service it will still come under the Public Sector Management Act?

Hon PETER FOSS: I will leap forward to clause 25. The Commissioner for Public Sector Standards, a nominee, is given certain duties under this Act. He exercises the powers given to him through this Act under this Act and not under the Public Sector Management Act.

Clause put and passed.

Clauses 7 to 10 put and passed.

Clause 11: Conflict of duties -

Hon SAM PIANTADOSI: Will the Minister clarify the areas where conflict of duties may occur? At the beginning of corporatisation there may be some problems in this area. There seems to be a bit of doubt about this.

Hon PETER FOSS: This arose out of the Burt Commission on Accountability, I think with regard to the State Government Insurance Commission. I do not see this arising here. It may have occurred in the royal commission after the Burt commission, but my recollection is that this provision arose out of the Burt Commission on Accountability. He raised the possibility of a public servant being appointed to a board such as this and his role as a public servant conflicting with that of being a board member.

Hon Kim Chance: I do not see how it could.

Hon PETER FOSS: I cannot remember the example, but an example was given in the Burt Commission on Accountability. It may have been that a person had an obligation as a director to act in the best interests of the corporation and as a permanent public servant a person may have had the wish to do the will of the Government in terms of policy. I think that is the context in which it arose. As a result of the concerns raised there, the recommendation was made on accountability provisions, and this clause deals with that. I do not know whether it is likely to occur again, but that recommendation has been included. Most of the accountability provisions in the Bill tend to arise out of remarks made in the Burt Commission on Accountability.

Clause put and passed.

Clause 12: Committees -

Hon SAM PIANTADOSI: During the Committee stage in the other place some concern was expressed by the shadow Minister for Water Resources, Michelle Roberts, over the appointment of some of the members of the board. Hon Colin Barnett stated that people could be chosen internally. The current practice is to attract expertise from outside and from people who are completely independent of management. Obviously there would be no conflict of interest in decisions being made. The clause states quite clearly that it gives the corporation the ability to appoint. Will the board of the corporation look internally or externally? I believe obtaining expertise from outside would be one of the safeguards and one of the assurances we are seeking in terms of the organisation being privatised.

Hon PETER FOSS: I would not pre-empt what the board would do, but obviously this recognises that any person can be appointed to a committee. If one had an audit committee, one would probably have people from outside, but if it were a committee related to operations, one would more likely pick people from within the organisation. Commonsense should prevail. The point the member has made is a matter of commonsense. Even where a committee has people from outside it could still invite staff along, so they may be participating either as members of the committee or under the special provisions of subclause (3). The intent is certainly that staff should be involved, but there is no pre-emption as to whether people should be from outside or inside. It would be a matter purely of what the situation demanded.

Hon SAM PIANTADOSI: The safeguard I would consider in looking at the current set-up of WAWA is staff participation on the board. A mechanism has been established to allow a blend of internal and external people to be appointed.

Hon Kim Chance: This clause relates to only the committee and not the board itself.

Hon SAM PIANTADOSI: I understand that. The general concept could apply to both. I am more concerned with the board but I am concerned about committees. If a committee is established for a subsidiary, as we discussed earlier, I am concerned about being able to select people if a particular decision is wanted. That is what worries me.

Clause put and passed.

Sitting suspended from 6.00 to 7.30 pm

Clause 13: Chief executive officer -

Hon KIM CHANCE: I describe this as the funny clause, because of the somewhat peculiar outcome that it will have. I am sure there are perfectly good reasons for all of its contortions, but subclause (2)(a) states that the board has the power to appoint and remove the CEO, and under subclause (3) states that the board is to obtain the concurrence of the Minister before it exercises that power. Under subclause (5), the board is not required to obtain the concurrence of the Minister in order to appoint a person to act in place of the chief executive officer during a casual vacancy in that office. However, under subclause (6), the Minister is to appoint the initial chief executive officer. That leaves me with the impression that we are going around in circles, but I am sure there is good reason for that. I am pleased to note that under subclause (2)(a), the board has the power to appoint and remove the chief executive officer, albeit it must obtain the concurrence of the Minister in normal circumstances, leaving out the questions of the initial appointment and the filling of a casual vacancy.

I am pleased to see that, because it is a departure from the situation under the Water Authority Act, where the board has only a limited right in respect of the appointment of a chief executive officer. I am not sure of the exact wording of the Act, but I know that when I was on the board and we tried to interfere with the appointment of a CEO, we were told that if the Minister did not like the decision that we had made, he would proceed to make his own decision anyway, and that while he valued our opinion, he would be no more than guided by it. I am sure that is perfectly in line with the current legislation, but it has always seemed to me that if we were to entrust a board of directors with effective control - and in the case of the Water Corporation Bill, it is real control, not simply effective control - of a corporation with assets in the order of \$8b, we should surely be able to trust their judgment when they gave an opinion on the appointment of the CEO. I am delighted to see the change in this Bill, which, on the face of it at least, will devolve that power to the board rather than to the Minister. Is it the Minister's intention that except in the case of the appointment of the initial chief executive officer, which is covered in subclause (6), it shall be the board's decision and the Minister shall be no more than a minority partner to that decision?

Hon PETER FOSS: The chief executive officer is a member of the board and the Minister is the shareholder. The appointment to the board is usually done by the shareholders. The current situation is that the Minister does have the power to appoint the initial chief executive officer. The subsequent chief executive officers are appointed by the board, with the concurrence of the Minister; so the Minister has a veto power rather than an initiating power. Under this Bill, the Minister will appoint the initial chief executive officer, simply for the reason that he has to start the board, and he must make an initial appointment for the board to exist. The corporation also has to start from day one, and it would be rather difficult to launch the Act, appoint the board, and then have the board look for a CEO. It is appropriate that all of those things come together at one time.

Hon SAM PIANTADOSI: Subclause (5) states that the board may appoint a person to act in place of the chief executive officer during a vacancy in that office or during any period when the chief executive officer is unable to carry out his or her duties or is absent from the State. I am concerned that there is no set time for which a vacancy might exist.

Hon Kim Chance: It may be a permanent vacancy.

Hon SAM PIANTADOSI: Yes, and someone may act in that position permanently. Would the Minister consider having a set time for which a vacancy may exist?

Hon PETER FOSS: It would be for the board to initiate that, and I can see no reason that it would appoint a person to act to fill a casual vacancy rather than make a permanent appointment. We cannot specify the time because we do not know how long it will take to fill a vacancy.

Hon Sam Piantadosi: What about 12 months?

Hon PETER FOSS: I suppose we could have a fall-back position where the Minister would appoint a person to fill any vacancy, but that would not guarantee that a vacant position would be filled. The important thing is that the board will make the appointment. Most boards do not like to have a person acting in place of an appointed person because they want to have someone who will get on with the job.

Hon Kim Chance: The board does not have to fill a vacant position. Subclause (5) states that the board may appoint a person.

Hon PETER FOSS: I think it does. Clause 7 states that the corporation is to have a board of directors comprising the chief executive officer and not less than five nor more than six other persons. Therefore, it has an obligation to fill any vacant position. I do not think it can just have someone acting in that position permanently. In the end someone must be in the fall-back position. In this case it is the board. The natural tendency is for the board to fill the position. The last thing a board wants is a temporary chief executive officer. It is important to have someone who will take a long term view of the matter.

Clause put and passed.

Clause 14 put and passed.

Clause 15: Staff -

Hon KIM CHANCE: Does subclause 15(2)(a) include the capacity to offer redundancy packages of the board's own volition or will it be necessary for them to be generated as a matter of Government policy? In other words, will the board have control over its own destiny in that matter?

Hon PETER FOSS: No. The member's first proposition is the correct one; that is, the board will be able to offer redundancy. That is one of the differences in its ceasing to be a Public Service body.

Hon KIM CHANCE: Will clause 35 referred to in this clause delegate management functions along the lines of the delegation clauses in the Perth Market Amendment Bill when the managing agent was established? It was rather an innovative procedure where, in that case, even powers to delegate were delegated. Powers under the Act were delegated to a party which was actually outside the scope of the Act. It is about the only legal way that can be done.

Hon PETER FOSS: That will be better answered under clause 35. Under subclause (1) power to engage and manage the staff of the corporation is vested in the board. That is a specific overruling of the provision in clause 35. It is not a general power given to the corporation, but given specifically to the board of the corporation even though the board is the normal directorial power of the corporation.

Hon Kim Chance: The board may then delegate the power to engage and manage staff, but may not delegate the power of delegation?

Hon PETER FOSS: That is exactly right. I refer the member to subclause (3) of clause 35. It could be delegated as long as it is expressly included in the delegation.

Hon Kim Chance: The Perth Market Amendment Bill effectively delegated the power to delegate, but because it did it by legislation it got over that problem.

Hon PETER FOSS: Any form of delegation does not relieve a CEO or board of the responsibilities for what is done. In delegating something they maintain the responsibility and the person to whom the authority is delegated is the agent. That is fairly fundamental.

Clause put and passed.

Clause 16: Minimum standards for staff management -

Hon SAM PIANTADOSI: Will the Minister clarify exactly what significance subclause (3) has and exactly how it will work?

Hon PETER FOSS: This is similar to the earlier provision where, although the conditions are not subject to that Act, this subclause incorporates the provisions and applies them as though they are set out in full. The corporation will be able to contract out work.

Hon SAM PIANTADOSI: Will the same standards apply to people contracted to do work for the corporation as will apply to staff permanently employed by the corporation?

Hon PETER FOSS: It will be exactly the same as it is now. If work is contracted out, standards and so on will be set by the terms of the contract. If it is a contract of service, obviously these conditions will apply. If it is a contract for services, it is purely a contract and the standards that apply will be set by the contract.

Hon KIM CHANCE: Hon Sam Piantadosi has just hit on a subject which has been extremely dear to my heart and to the Chairman's heart because of our association on a committee of this Parliament where we have been examining the responsibility of government to provide a standard of service which is consistent with the standard which the public has come to expect after the provision of the service has been contracted out. The way we refer to it is where a government retains residual responsibility for the quality of that service. I do not want to suggest for a moment that the Chairman shares my view, although I think he understands it - he probably does share it - but it seems a little strange that we go to considerable lengths in section 8 of the Public Sector Management Act to codify standards of conduct and management which shall be observed by public servants performing functions in public and for the public. However, when those services are contracted out, we rely only on the contract itself for the quality of those persons' conduct. There is no other guarantee that the service will be provided according to the same standards previously required from the public sector. A classic example is a meter reader. A meter reader working in the Public Service who kicked a dog, for example, and upset the owner could reasonably be deemed to have offended against section 9, provided he had not kicked the dog in self-defence. However, a contractor's employee who kicked a dog would not have committed an offence under section 9. He or she may well have offended against a code of conduct set in place by the contractor, but that is not necessarily the case. The contractor is unlikely to lose the contract as a result of such an occurrence. I am trivialising the point somewhat, but I think the Minister knows what I am getting at.

I have no confidence at all that simply relying on the conditions enumerated in the contract is sufficient to provide the same level, quality and standard of service provided by the public sector. The reason is axiomatic. If we do not require all those standards contained in the Public Sector Management Act, why are they included? Why not replace sections 8 and 9 of the Public Sector Management Act with a few words to the effect that the employee shall perform appropriately, properly and efficiently, and dispense with the rest? That would bring it in line with the requirements written into contracts.

Hon PETER FOSS: I totally disagree with Hon Kim Chance, but I do not want to go through it again because it has nothing to do with this Bill. The point raised refers to contracting out, and it applies under the current corporation, under the new corporation and wherever contracting out occurs. It has nothing to do with this.

Hon Kim Chance: It does not apply to this clause but it does to clause 24.

Hon PETER FOSS: It is a problem that applies irrespective of the entity. The member gave the example of a meter reader. He did not specify a Water Authority meter reader or a Water Corporation meter reader.

Hon Kim Chance: That is exactly why I kept it as broad as that.

Hon PETER FOSS: Precisely. It is an interesting and important philosophical point on

which I totally disagree with Hon Kim Chance, but it has nothing to do with this Bill. The question arises whether it involves WAWA, the Water Corporation or anybody else.

Hon Kim Chance: I am not arguing that point.

Hon PETER FOSS: Nothing the Government is changing in this area has any bearing on the point raised. I disagree with that point and I could talk for hours on the subject but I will not. We can adequately deal with all those points but they do not arise under this Bill. They arise from the problem of contracting out, and the member and I have a different philosophy about that.

Hon KIM CHANCE: I admitted it was a side issue, but I have some enthusiasm for it. When dealing with an earlier clause it was determined that the Water Corporation will not be a public sector agency and its employees will not be public servants, even those who are currently public servants in a similar position in the Water Authority. However, the Public Sector Management Act and the Commissioner for Public Sector Standards will provide those standards. I understand the Minister's argument that it is a convenient template to pick up.

Hon Peter Foss: It is an appointment *eo nomine*.

Hon KIM CHANCE: I did not get *past delegatas potestas nonpotest delegare*.

The CHAIRMAN: Order! English must be spoken in the Chamber.

Hon KIM CHANCE: Is it done just because it is a convenient means of establishing a set of acceptable standards? Is that the only reason?

Hon Peter Foss: For a body that happens to be owned by the public.

Hon KIM CHANCE: The wording of clause 16 is fine at the beginning and it sounds as though it is being picked up as a template with the phrase "The board must, after consultation with the Commissioner for Public Sector Standards". Further into the clause is the phrase "The Commissioner for Public Sector Standards may at any time recommend to the board any amendment that he or she thinks should be made to an instrument". The Commissioner for Public Sector Standards may recommend to the board, which is an independent corporate body, certain actions even though the commissioner is totally divorced from the corporate body, except to the extent that it is in public ownership. The clause goes even further at lines 24 and 25 of page 9 with the phrase, "only after consultation with the Commissioner for Public Sector Standards." In other words, certain things cannot be done unless the board has consulted the commissioner. The ties to the commissioner become more and more compulsive as the clause goes on.

Hon Peter Foss: I agree.

Hon KIM CHANCE: Does the Minister not see that as going rather further than picking up a convenient template?

Hon Peter Foss: It recognises it.

Hon KIM CHANCE: I do not object to it.

Hon SAM PIANTADOSI: I disagree with the Minister. It has become clear that in setting up this organisation, certain standards, especially public sector standards, will prevail.

Hon Peter Foss: I agree.

Hon SAM PIANTADOSI: Will it apply to contract labour, which could mean a variety of employees at different levels, ranging from planning consultants to infill sewerage workers? It is a requirement that public sector standards apply. Under contracts a group of people working for the corporation must maintain a certain standard. The conditions of the contract or tender will ensure that any party interested in working for the Water Corporation must abide by the code of conduct and the established standards after consultation with the Commissioner for Public Sector Standards. Obviously the standards are being established and whether they be for full time employees or contract

employees, the board will have the power to ensure that contract labour meets those standards. In the other place the Leader of the House maintained that the standards would remain. He expressed that opinion regarding contracts.

Hon Kim Chance: He cannot guarantee it.

Hon SAM PIANTADOSI: But that is what he said. In response to a question he gave an undertaking that those standards would remain. I find it difficult to understand that two Ministers are at odds regarding how the standards will apply. I seek some clarification because I believe the commissioner will have power to consult the board regarding standards; and the commission will eventually report to the Minister in that regard. I guess if the board were responsible it should have the ability to invoke those standards, even on contract labour.

Hon PETER FOSS: That power exists. A person can impose any standards he likes in a contract. If a person requires that certain standards be observed they can be stated in the contract. It could be stated that all the rules under that section of the contract must be followed by all the people contracted. It would be a contractual term.

Perhaps I should go into this point: There are two considerations. I use the term "the black box" because it is a good one used principally by scientists. Within the black box things happen, and out come the results. People do not need to know what is happening in the black box provided everything that comes out meets all the requirements. That is the idea of the black box. It does certain things; we do not know the mechanism but we know what it does. When a contract is set it is almost like a black box. All the behaviour and results required are specified. That is the contract. Perhaps it states that a person must not kick the dog; that is, do not do anything in relation to carrying out the job which would be unacceptable under those conditions.

There are other things within the black box, but people do not need to worry what the person does when he returns to head office. When the person walks in the front door of the contractor's office and abuses the receptionist and the boss, I am sure that business would have some considerable concerns. He would be told that meter readers should not speak to receptionists like that, and that he should not talk to the boss like that. Certainly there would be two aspects of the person's engagement: The things done within the black box, which is purely the concern of the contractor, and those done outside, which are very much the concern of the person with whom he is contracting. Anything can be specified, such as codes of behaviour, dress, modes of speaking to customers - all the things done by reference or incorporation. Certain things would not be specified, and if they were, the person with whom one is contracting would say, "What is it to you?"

Hon Kim Chance: Public servants could argue that with respect to section 9.

Hon PETER FOSS: I do not think so, because when the black box is brought inside the organisation there is an obligation to determine what is happening within the black box. That is the difference. I agree with Hon Colin Barnett: Any member of staff operates under the same standards as operate in the public sector - and for obvious reasons. Even though they are not public servants, they are owned by the public and it is appropriate that we apply those standards.

Hon Kim Chance: I am delighted that you did that.

Hon PETER FOSS: We do not have any disagreement. With contracting, the situation with the corporations is the same as with the Water Authority. The standards are set in the contract, and they can be whatever is required. Obviously we would not be concerned about some things because they would not be our bother. It is the same when we go to Myer to buy a suit. We do not need to know what Mr Solomon Lew does in his private company's dealings with Myer -

Hon Kim Chance: Or what the sheep do at night.

Hon PETER FOSS: Yes, and whether the suit was sewn in Hong Kong. One may be interested to know whether slave or sweatshop labour was used, and one might say that he will not buy anything from Hong Kong because of that.

Hon N.D. Griffiths: I do not think that would happen with Myer.

Hon PETER FOSS: Things could happen further up the line which could make one say that he did want the suit. Even though at first sight one might think it is anterior to that group, one might not buy the goods. On the other hand, one may say that as long as the suit is the right price one does not care how many private dealings Solomon Lew's company has with Myer, because it is irrelevant. If as a result of that dealing the price went up and one thought it was too expensive, one would go to David Jones - although one could not do that in Western Australia unfortunately. It is a matter of proper diligence in setting the terms and conditions of a contract so that all the standards which should be met are met.

Hon SAM PIANTADOSI: My difficulty is that although the Minister is not treating employees of the corporation as public servants he is setting the standards and guidelines -

Hon Peter Foss: That is true.

Hon SAM PIANTADOSI: Why cannot similar conditions apply to anyone wanting to do work for the new corporation? The Minister is setting public service standards for a group of people who are not public servants - just as contractors are not. Why should contractors doing engineering or design work not be subject to the same conditions? I am uneasy because I can relate this to the infill sewerage program. A code of conduct was applicable to the work being carried out by the construction branch, but there was no code when the contracts were issued. A committee was set up to rectify some of the stuff-ups that occurred. That caused a lot of pain and a lot of wasted time. If a code of conduct is to apply to non-public servants I do not see why it cannot be applied to people engaged to undertake certain work. It does not need to be construction work. It could apply to engineers.

Hon PETER FOSS: I thought I indicated this in my answer to Hon Kim Chance. I will repeat it: There will be times when it is appropriate to apply standards, and they can and should be applied to contractors. I do not see a fundamental difference whether it could or should happen. Circumstances will dictate when it is necessary, and when it is necessary it should be applied.

Clause put and passed.

Clause 17 put and passed.

Clause 18: Designation of executive officers -

Hon KIM CHANCE: The last line of the clause states "and may in the same manner revoke such a designation".

That relates to the board's capacity to designate a member of the staff as an executive officer by resolution. That would normally be a promotion. With the revocation included in line 20 on page 10, does the fast track nature of the redesignation cause any difficulties in terms of industrial relations legislation?

Hon PETER FOSS: I take the member's point. The provision changes a person's status where that has a consequence in relation to their obligations under schedule 2. The job designation would not change. For example, an engineer would remain an engineer in a particular area. The only thing that would change is whether that person was an executive officer.

Hon Kim Chance: I thought that the remuneration would change.

Hon PETER FOSS: The contract cannot be unilaterally changed. The most likely example is that a job would be set up, and it would be for an executive officer as it would involve certain responsibilities as laid out under the Act. That status would be tied to a particular position rather than to a particular person. While a person held that job, no changes would be made. It is more likely that a change would occur under a reorganisation and the person might be moved to a position in respect of which it would be inappropriate to have an executive officer in that role. At that stage, that person would

have to be redesignated as not being an executive officer. At that point, the industrial relations issue would have to be dealt with as that person's contract would be involved.

It is possible that a marginal job may move from being in the executive to outside the executive. In theory, one could designate or redesignate. This is a little unusual. I understand that designating is not covered in the Corporations Law. I also understand that there was a problem in the Corporations Law relating to the duties of officers. There had always been a problem as to whether "executive" covered everything. The provision is included in this Bill because of the problem that exists in the Corporations Law which has yet to be solved in relation to who is covered by what. There is a gradation from board member to chief executive officer to executive officer and to non-executive staff. It is now clear what applies to each of those groups. If we can designate, we must be able to non-designate or there would be serious problems.

Hon Kim Chance: I may have misunderstood the purpose of this. When I first read the clause, it seemed to be designed as an aid to management to allow it to fill an emergency vacancy in the executive quickly.

Hon PETER FOSS: Schedule 2 refers to sections 20 to 23, which relate to the duties of directors and related provisions. According to clause 18, "For the purposes of section 22, the board may designate a member of the staff . . .", and section 22, as I have said, relates to the duties of directors and related provisions. Clause 18 covers the duties of the different people concerned. Once someone has been designated as an executive officer, he can pick up the Act and see which sections apply to him.

Clause put and passed.

Clause 19 put and passed.

Clause 20: Duties of, and relating to, directors -

Hon SAM PIANTADOSI: What would happen if directors were appointed internally? Would there be a conflict of interest? How would staff members be protected in that regard and how would that conflict of interest be avoided?

Hon PETER FOSS: The only member of staff who can be a director is the chief executive officer.

Hon SAM PIANTADOSI: In a debate on an earlier clause, the Minister referred to people being appointed to the board from outside. However, the Minister also said that it was possible that board members could be appointed internally. He is now saying that that will apply only to the chief executive officer. I believe it is possible that other people from within the corporation could become directors. The provision could apply to people other than the chief executive officer.

Hon PETER FOSS: In the debate to which Hon Sam Piantadosi refers, we were dealing with committees of the board and not with the board itself. We had already dealt with the board and the only person on the board who can be a member of staff is the chief executive officer. Those points arose in the debate on clause 12, which dealt with committees. Other people could certainly be members of those committees.

Clause put and passed.

Clause 21 put and passed.

Clause 22: Executive officers, duties imposed -

Hon KIM CHANCE: I have a small problem with clause 22. I believe there may have been an oversight although it may not be that important. Clause 22(1) refers to three groups of clauses of schedule 2 which "apply to an executive officer as if references to a director were replaced by references to an executive officer". The Minister can take my word for the fact that clauses 2 to 5 deal with a director. Therefore, according to clause 22, the wording is fine. Clauses 7 to 11 of the schedule refer to "person", so that did not need fixing anyway. However, clause 15 of schedule 2 includes a reference to "a director or auditor". It seems that the transfer of indemnification which is intended to pass to an executive officer -

Hon Peter Foss: There is no indemnification.

Hon KIM CHANCE: I am sorry. I note that clause 15 actually states that it "must not indemnify". However, the Minister must note the reference to auditor. The auditor is not picked up in clause 22(1).

Hon Peter Foss: He does not need to be.

Hon KIM CHANCE: Why does the Bill refer to a director? It needs to refer also to an auditor.

Hon PETER FOSS: We are setting out a new set of liabilities for members of executive staff. Again, we are using a template and we are changing just one word in it. Under the Bill, the corporation must not indemnify a person who is or has been an executive officer against the liability incurred by a person as an executive officer or auditor. It does not matter that it continues to refer to the auditor. A person has only to be an executive officer, so he must not be indemnified.

Hon Kim Chance: It is a common denominator.

Hon PETER FOSS: Yes. If we read clauses 21 and 22 together, they would say that the corporation or subsidiary must not indemnify a person who is or has been a director, executive officer or auditor of the corporation. The term "director" picks up the whole lot.

Hon Kim Chance: "Director" is a common term and "auditor" is the unusual term, so it does not matter.

Hon PETER FOSS: We get the lot with directors and chief executive officers. Chief executive officers are also directors.

Hon Kim Chance: I take the point.

Clause put and passed.

Clause 23 put and passed.

Clause 24: Codes of conduct -

Hon KIM CHANCE: The Minister does not need to respond to this, but clause 24 refers to section 9 of the Public Sector Management Act. We dealt with this matter earlier. I am satisfied with the answer, but it is clear from the wording that there is a requirement to report to the Commissioner for Public Sector Standards. We have reached the compulsion stage. There is a gradual firming of the links. I do not know whether that happened coincidentally. However, I do not have a problem with that - indeed I encourage it - but it is strange to see an agency which has just divested itself of the Public Service and whose employees are no longer public servants embracing so completely and compulsively the requirements of the Public Sector Management Act and the need to answer to the Commissioner for Public Sector Standards.

Hon J.A. SCOTT: I should like some clarification of this clause. The board sets the code of conduct after consultation with the Commissioner for Public Sector Standards. In setting out minimum standards of conduct and integrity there is regard to the principles - that is good - but the clause then states -

The board may, after consultation with the Commissioner for Public Sector Standards . . .

Clause 25 states -

(1) The Commissioner for Public Sector Standards may in writing require the board -

(a) to report to him or her on the observance by members of staff of any code of conduct in force under section 24 . . .

I might be wrong, but it occurs to me that, after consulting the Commissioner for Public Sector Standards, the board could have minimum regard to the principles that are set out and might not set strict standards of conduct and integrity. Although the clause sounds

good, there is no requirement to report back to the commissioner on what is decided in respect of conduct and integrity. I wonder whether that is the Government's intention.

Hon PETER FOSS: That is where the Minister's involvement comes in. If the Minister formed the opinion that there had not been sufficient regard to that matter, ministerial responsibility would come into it. The Minister has capacity to ensure that that is carried out. Obviously, the whole plot of the Bill is to put the prime responsibility on the board. The Minister may come in only in a very public way, but he can still come in, and that is where the final accountability takes place.

Clause put and passed.

Clauses 25 and 26 put and passed.

Clause 27: Functions -

Hon KIM CHANCE: I rise only for the purposes of the Interpretation Act and to -

Hon George Cash: Stretch the old legs?

Hon KIM CHANCE: Yes, to stretch the legs a bit. I am delighted to see one particular provision. I do not need to speak about it at great length, as most of my second reading speech related to it. It states -

- (d) to use its expertise and resources to provide consultative, advisory or other services for profit;

It has always been my view that the Water Authority, while I was there, and the present Government to a much greater extent were prepared to bring in contractors to provide services within the corporation to make it more efficient, so that, were the Water Authority to become a very efficient corporation, it would have the capacity to use that expertise to compete with private enterprise. As an enthusiast for private enterprise, I am delighted to see that provision. Can we take "or other services" to include engineering services?

Hon PETER FOSS: Yes.

Clause put and passed.

Clauses 28 and 29 put and passed.

Clause 30: Corporation to act on commercial principles -

Hon SAM PIANTADOSI: This clause sets the directions of the corporation, and that is a matter of concern. The Minister has stated that public sector standards should apply to certain staff. The corporation is to act on commercial principles, but we must remember at all times that we are dealing with a resource - water. It is disappointing that there is no mention of the health aspects and quality of that resource.

I am concerned that because the corporation must act in accordance with prudent commercial principles and endeavour to make a profit it will conduct its affairs on strict commercial grounds and will not give consideration to a number of factors, including water quality. In the quest for commercialisation the end result could be privatisation. I understand the assurances the Minister has given in this respect, but he also said that he cannot give an absolute guarantee that it will not happen. My concern is that we are heading in that direction.

This is one of the few countries in the world where one can turn on the tap and drink the water from it. In many countries one would not dare to drink the tap water. I am not totally against privatisation and a corporation getting a good return for the service it provides, but there have been numerous examples of the outcome of privatisation. Members need look no further than what has occurred with some of the work that has been contracted out by the Water Authority of Western Australia. Members are aware of the problems that have been encountered with the infill sewerage program. I go back even further than that to when I worked for the Water Authority; it contracted out some of its work and on many occasions it had to step in to make good the work that had been done.

I am worried about the consequences of this quest for the corporation to act in accordance with prudent commercial principles. In the short term - five to 10 years - a profit could be made, but what are the long term consequences? The Government must put in place mechanisms to ensure that while the corporation is acting in accordance with prudent commercial principles it is not doing so at the expense of water quality and the health of Western Australians.

Hon KIM CHANCE: This is a significant clause because it defines the end of the Public Service function in many ways. It requires the corporation to act in accordance with prudent commercial principles, which is the commercialisation aspect, and to endeavour to make a profit consistent with maximising its long term value. These directives are not unlike the broad principles of the Corporations Law rather than principles applying to a public sector agency, where the emphasis is on providing a service and the consolidated fund limitations provide the rest. In this instance the principles of commercialisation are spelt out very clearly.

Hon PETER FOSS: I accept the points that have been made, but this clause cannot be taken in isolation. The Health Department, independent of the Water Authority of Western Australia, has an obligation to regulate for water quality and it has the capacity to enforce the provisions of those regulations. This is being done in other ways: First, there are the community service obligations and in order to provide them the Government will be one of the Water Corporation's customers. It is important to keep in mind that commercially it must keep that customer happy. Secondly, the Water Services Coordination Bill is full of provisions dealing with the quality of service and product. In addition, clause 52 of this Bill deals with matters to be included in a statement of corporate intent. Part of that intent must be prudent commercial principles which require a company to keep its licence and customers, and that will not be the case if the water quality is not up to standard. Clause 52 of the Bill refers to quality type, performance targets and measures to be taken to protect the environment from being part of corporate intent.

Members often hear the term "good corporate citizen" and many companies consider that part of their responsibility is to demonstrate that instead of being a corporation without a heart they are a responsible part of society. Part of the corporation's commercial principles will be to be a good corporate citizen and that is specified in clause 52 of the Bill. On the face of it the member can make the argument he is making with regard to clause 30, but he cannot read it in isolation.

Hon SAM PIANTADOSI: I am not reading it in isolation. The point I am trying to make is about water quality. Currently, the Health Department's role has been reactionary.

Hon Peter Foss: It will change.

Hon SAM PIANTADOSI: That is the reason I am voicing my concern. Several years ago this State had an amoebic meningitis problem which applied not only to the metropolitan area, but also to other parts of this State. The infrastructure is probably getting run down and this problem could become more prevalent. The Minister is saying that the Health Department will have a more positive role in ensuring a good quality water standard. A mechanism for this must be put in place in the quest to cash up the organisation on commercial grounds. There are numerous examples where, in the quest for the dollar, the quality and standards have fallen. On the other hand, there are examples where that has not been the case. A good water resource must be supplied to the whole of the State and serious consideration must be given to long term planning. What guarantee do we have that the corporation will secure that supply? Currently, public sector standards apply and the Health Department does not undertake constant monitoring of our water supplies. The problem will compound when the corporation embarks on commercial principles and possible privatisation, and one of the first things that will fall by the wayside will be the quality of our water supply and health standards, because that could mean big dollar savings.

Hon PETER FOSS: The points raised by Hon Sam Piantadosi are the very factors that

led to the creation of the Office of Water Regulation. The member was particularly concerned that the Health Department became involved only when the Water Authority called it in. That is the theory behind separating the regulator from the provider. The role of the Office of Water Regulation set out in the Water Services Coordination Bill is to determine the standards and to ensure that they are complied with under the licence. Rather than merely an internal process - obviously that will continue as part of its operations - there also will be an external verification of this process. The theory behind the split is that when one is the regulator and the provider, one perhaps would not do oneself in to the Health Department if one does not think a problem is too serious. The Government believes there should be an independent office not beholden to the chief executive officer of the corporation. In this case the regulatory function will operate in the Public Service under the Water Services Coordination Bill, and will be responsible to the Minister for checking the standards of the corporation. Interestingly, a number of corporations operate independently under the current system. The Busselton Water Board does not have the same sort of size and structure of support mechanism as perhaps WAWA, and therefore must rely on WAWA to provide some of this support. The Office of Water Regulation will apply the standard generally across the board to all the operators without fear or favour, simply because it is independent.

Hon J.A. SCOTT: This clause reads something like the mission statement of the corporation. The corporation will no doubt try to achieve the best price for its important resource, so there should be some statement of the necessity to conserve the water resource.

Hon Peter Foss interjected.

Hon J.A. SCOTT: I am concerned that in endeavouring to make a profit consistent with maximising its long term value the corporation will pass off costs to other departments. I understand that the monitoring function will now be the responsibility of the Water Resources Commission.

Hon PETER FOSS: It is quite the contrary. All these provisions are fixed by the licence. In order to maintain its licence all these obligations and costs are placed on the utility. The long term value is dependent upon the conservation of the assets, and to do that the corporation must do such things as keep up the maintenance, make provision for replacement of assets and all the things that are currently being done by WAWA.

Hon SAM PIANTADOSI: When the corporation is set up to act on commercial principles, will the Minister have the discretion to direct the corporation on matters which relate to social and community service obligations, such as health requirements and cost subsidies, while leaving the board to proceed on a day to day basis with its commercial operations?

Hon PETER FOSS: That is not a correct interpretation, and I will deal with that matter in the clause which relates to the statement of corporate intent. That statement must deal with such things as the nature and extent to which community service obligations will be performed, the costs of funding for other arrangements relating to community service obligations, the ways and extent to which compensation will be made to perform community service obligations, and such other matters that may be agreed by the Minister and the board.

Hon J.A. Scott: Would they be able to make donations to political parties?

Hon PETER FOSS: I do not know. The Minister has considerable powers in dealing with that statement of corporate intent. All those things that currently happen will continue to happen. The difference lies, and again it is something that can happen with or without this legislation, in the identification in the accounts of the moneys being expended on various things. One of the points that is important is that community service obligations are not necessarily all non-commercial. When one takes one's child to a cinema, the parent will purchase one adult ticket, and one child's ticket; and if one is a pensioner or senior, there is every possibility one may get in for half price.

It could be quite a sensible commercial arrangement for some of these things to take

place. We must look carefully at how many community service obligations will be identified as a separate cost and how many could reasonably be expected to be commercial obligations. Commercial organisations give concessions and cross-subsidisation for their own commercial purposes. Some will be commercially driven and some will be community service driven because they are required as part of the contract with government. None of these things will disappear. I am sure the Minister will have an involvement because Ministers until now - Hon Kim Chance can tell us about this - have been some of the major movers in the introduction of community service obligations. We have already passed legislation concerning rebates for pensioners and seniors. That obligation was driven and imposed by government. Many of the community service obligations will be driven and directed by government.

Hon Kim Chance: Including the environmental CSO for wetlands?

Hon PETER FOSS: Under this provision, generally speaking they will be commercial obligations. The standard company must comply with environmental obligations. Surely the member is not suggesting that the Government should have to pay for those. That suggestion would not get too far. A CSO is something no-one other than those in government would contemplate delivering. Otherwise, it must be done on a commercial basis. Part of the agreement between the Minister and the corporation covers those things now driven by government and which will continue to be driven by government. They will be shown in the accounts as being community service obligations. Nothing will cease that is currently undertaken. It will be a matter for the Government to say whether it should remain.

Hon SAM PIANTADOSI: Is it the intention to shift responsibility for public policy on economic and regional development, social welfare and water conservation away from the corporation and back to the Government?

Hon Peter Foss: That currently rests with the Government.

Hon SAM PIANTADOSI: Will the corporation have a role in those areas?

Hon Peter Foss: The current relationship between the Government and the corporation will remain the same in those areas.

Hon SAM PIANTADOSI: Will the corporation have a responsibility to carry out public policy in those areas?

Hon Peter Foss: Yes. Do you mean in terms of delivering services?

Hon SAM PIANTADOSI: Will it have responsibility for delivering services in those areas? I seek clarification that the corporation will have the responsibility. In the other House during this debate the Minister for Resources Development stated that the intent was to remove it from the corporation and to give it to the Government solely. There is a contradiction and I would like some clarification on where we stand on this issue.

Hon KIM CHANCE: I am just trying to recall that part of the debate in the other place. Hon Sam Piantadosi has it about right in respect of the corporation. My understanding is that the corporation will not be required to pick up the costs of the community service obligations as they will become a function of the consolidated fund. They will be funded from either the consolidated fund draw downs directly, as they probably should be, or quite possibly from deductions of taxation equivalent regime payments which otherwise have been made by the corporation back to the State, and delivered through the corporation.

Hon PETER FOSS: Hon Kim Chance has correctly stated the position. Ultimately the net result will be cheaper water and sewerage services to householders because some efficiencies will be derived.

Hon Kim Chance: They will be more visible.

Hon PETER FOSS: That is right. There will be more visibility and we will see where the money is going. We have looked at this for the first 18 months of operation. It appears the net result will be that the money will notionally come out as taxation equivalent regime payments and dividends and then it will do an about-turn and go

straight back as a community service obligation. It will be achieved mainly by book entry. It at least allows that visibility, but the responsibility to deliver it will remain with the corporation. The Government will have to make the physical decision to include that in the consolidated fund for it to happen; otherwise the money would come out and not go back in.

Hon J.A. SCOTT: That explanation worries me a little. Does the Minister mean that the corporation will deliver a product for which the quality is seen as a community obligation and the Government will pick up the tab?

Hon Peter Foss: No.

Hon J.A. SCOTT: I think the Water Corporation should have a role helping to pay for the upkeep of this policy.

Hon PETER FOSS: The biggest single community service obligation is country water service supply. Generally speaking, it is provided at a very significant discount. It is a matter of government policy not to charge people in the country the full cost of providing water. That policy will continue. A commercial water supplier could not stay in business if he did not charge the full commercial costs. That country water provision must be subsidised. That amount will therefore go back into the consolidated fund. It will operate as a community service obligation to subsidise the price of the water to the country. Nonetheless, it will still result in a similar price for water in the country as is paid by people in the city. Taking into account all these commercial things that must be paid for in the future, the amount of money coming out will represent fairly closely the amount of money that will need to be put back in. It will be more visible.

Hon Kim Chance: We started with that position in 1985 and it lasted for only a year.

Hon PETER FOSS: Yes, it is a turning back. Country water supplies were always handled as CSOs, and they were clearly identified. It was only when the metropolitan water and public works entities were put together that the CSOs vanished.

Hon Kim Chance: We kept them for a year and then lost them in the second year.

Hon J.A. SCOTT: I am very interested to know whether the Water Corporation will be maintaining the sewerage service which passes through the Jandakot mound, particularly if there is a breakage and someone has to catch up with the effluent that -

Hon Peter Foss: It is a commercial obligation.

Clause put and passed.

Clause 31: Subsidiaries -

Hon SAM PIANTADOSI: Given that the possibility that some country water suppliers, such as those at Busselton or Bunbury, will remain, will there be a problem for the Water Corporation acquiring those organisations as subsidiaries or will the subsidiaries be restricted to other business?

Hon PETER FOSS: To do that would probably require amendment to the Water Boards Act. There is no disability in the corporation to do that. There is an incapacity in the water boards themselves to be acquired.

Clause put and passed.

Clause 32: Transactions which require Ministerial approval -

Hon KIM CHANCE: Is it correct that although the Water Corporation will still be open to scrutiny under the Freedom of Information Act and the Financial Administration and Audit Act and by the Parliamentary Commissioner, it will not be subject to the scrutiny of the State Supply Commission? It seems that the detail of the prescription in clause 33 of the type of transactions which require ministerial approval are marginally inconsistent.

Hon PETER FOSS: It is covered by the State Supply Commission.

Clause put and passed.

Clauses 33 to 42 put and passed.

Clause 43: Matters to be included in strategic development plan -

Hon KIM CHANCE: Subclause (2) mentions the pricing of products among the range of matters to be considered in the preparation of a strategic development plan. I had formed the perhaps simplistic view that pricing would be a function of the coordinator.

Hon PETER FOSS: There are two aspects to this matter. Obviously the corporation must talk about the way it will price its products. For instance, moving to a policy of user pays is a strategic decision. That is a decision the Government has made and is the sort of decision that fits under the strategic development plan. We will get there over a number of years. The amount that is charged is for the Office of Water Regulation to determine. The corporation must be given the opportunity to decide how it will price its products; however, it will not have the final say about what the price will be.

Clause put and passed.

Clauses 44 to 46 put and passed.

Clause 47: Minister's agreement to draft strategic development plan -

Hon KIM CHANCE: Is the Minister required to table the strategic management plan?

Hon J.A. SCOTT: A need may exist for environmental assessment or health assessment of these plans. Is any provision made for that cross-fertilisation of the draft strategic plans and ministries' overlapping responsibilities?

Hon PETER FOSS: It is more likely to be found in the statement of corporate intent. In answer to Hon Kim Chance's question, only the statement of corporate intent is regularly reported on each year. The annual report must be reported as against the statement of corporate intent.

Hon Kim Chance: That is disappointing.

Hon PETER FOSS: The strategic management plan can still be obtained under freedom of information legislation, but it would be a more broad strategy than the other. Any change that was politically motivated would show up because that would require a direction to be given.

Hon Kim Chance: Is there nothing to prevent a Minister from tabling the strategic management plan?

Hon PETER FOSS: No, and there is nothing to stop the board reporting about it in its annual report.

Hon Kim Chance: It is a pity it is not in the Bill.

Hon PETER FOSS: The statement of corporate intent is definitely included because a comparison must be made between it and what has been done. The corporate strategy may be a document which the corporation does not wish to be too broadly distributed because it outlines how the corporation will work. From a commercial point of view it may want to keep it confidential.

Hon J.A. SCOTT: I am still a little concerned about the statement of corporate intent and whether it will solve the problem, for instance, of a sewer system where it goes through important wetlands.

Hon Peter Foss: One cannot do that.

Hon J.A. SCOTT: I know one cannot do that and there would be problems.

Hon Peter Foss: One is not allowed to do that. One must have a licence to place the sewer there, and so one would not be allowed to do it.

Hon J.A. SCOTT: I ask because these are draft plans.

Hon Peter Foss: These plans deal with how one will do these things. If one wants to put down a sewer somewhere, one cannot do it without getting a licence from the Water Resources Commission. One also must comply with directions of the Environmental Protection Authority.

Clause put and passed.

Clauses 48 and 49 put and passed.

Clause 50: Draft statement of corporate intent to be submitted to Minister -

Hon SAM PIANTADOSI: In the other House an amendment was moved by Michelle Roberts. I will read it and ask the Minister to give me his opinion, because we are talking about scrutiny. Clause 50 reads -

(1) The board must in each year prepare, and submit to the Minister for his or her agreement, a draft statement of corporate intent for the corporation and any subsidiary.

(2) Each draft statement of corporate intent is to be submitted not later than 3 months before the start of the next financial year.

The amendment that was moved reads -

The Minister must within 14 days after he or she agrees to a draft strategic plan under Section 47, or when a draft strategic development plan comes into force pursuant to Section 46, cause a copy of it to be laid before both Houses of Parliament and dealt with in accordance with Section 87.

That amendment would have rendered the plan subject to the scrutiny of both Houses. That amendment was rejected, and I cannot for the life of me see the reason why. Public funds are associated with this corporation and its assets, but any long term development plan that may be effected may not be subject to the scrutiny of this House. The decision is left to the Minister. We as legislators are very keen - I know I am - to scrutinise anything that might happen with water. I want every opportunity to be able to look at any proposed development plan and give it just consideration. Some of the argument put forward by Hon Colin Barnett was ridiculous, to say the least. He gave the example that a development plan could lead to land speculation and all sorts of other things. We need a little more scrutiny about what may take place under any plan. Many planning decisions made in the past have led to Governments and Ministers having to backtrack from their original positions, because the scrutiny that should have taken place obviously did not. They went ahead, and it always ended up creating a great cost to the public purse.

Hon PETER FOSS: All the matters that have been raised by the member are dealt with in the statement of corporate intent. The outline of objectives includes the continuity of the provision of water services; the maintenance of assets; the delivery of an optimum service; the performance targets; the measures to be taken to protect the environment; the nature and scope of the functions proposed to be performed during the relevant financial year; an outline of the borrowings to be undertaken or proposed to be undertaken; an outline of main undertakings during the relevant financial year; the dividend policy for the relevant financial year, accounting policies; the type of information to be given including that in quarterly and annual reports; the nature and extent of community service obligations and so on. Those are all the things that the member is talking about and which quite legitimately should be tabled in Parliament and known. They will be reported and ultimately will come before Parliament.

The strategic development plan refers to competitive strategies; in other words, how one is to compete with other people. If the corporation is the only body which has to tell everybody else what it intends to do, it will be killed. For example, the corporation may be selling services in another State. The member has given examples many a time as to how WAWA has been able to provide services in another State. If one were to have a competitive strategy as to how it was to do that, the last thing one would want to do would be to say to people, "Hang on, we are coming." As regards the price of the product, it would certainly not want to make it clear in advance what its strategies would be on pricing products, because it may very well be telling competitors exactly what it will be doing. The areas of customer service arrangements, relevant government policy and personnel requirements are appropriately kept commercially confidential. By all means, when they turn themselves into expenditure, which the public has the right to know about, they will show up in the statement of corporate intent. The difference

between the two is that one is more a question of how we position ourselves to get the best benefit and the other is how much will we spend and what will we spend it on, which will be made public.

Clause put and passed.

Clause 51 put and passed.

Clause 52: Matters to be included in statement of corporate intent -

Hon J.A. SCOTT: Although I think these outlines look very good, I am concerned that subclause (3) reads -

The Minister may exempt the corporation from including any matter, or any aspect of a matter, mentioned in subsection (2) in the statement of corporate intent.

It seems from that the statement of corporate intent could be wiped out by the Minister's say so and that he could delete any of it. What is the purpose of having the statement of corporate intent and then saying at the end that one does not have to have it?

Hon PETER FOSS: In any year one may find that some matter does not necessarily have to be dealt with. All this clause does is allow that to be taken into account. The member should keep in mind that this is a public process and the annual accounts will show whether it has been dealt with. I do not see a great deal of need for that to be there, but the occasion often arises when one has to fill in a form, and if something does not necessarily have to be dealt with, one should not have to deal with it.

Clause put and passed.

Clauses 53 to 60 put and passed.

Clause 61: Contents of annual reports -

Hon PETER FOSS: I move -

Page 36, line 27 - To insert after "79(3)" the passage "or (6)".

This amendment anticipates an amendment that will be made to clause 79 to include a new subclause (6) which will give the Minister a further power to direct and will ensure that that direction is also reported to the Parliament.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 62 to 64 put and passed.

Clause 65: Directions contrary to commercial interest -

Hon SAM PIANTADOSI: What is the general thrust of this clause?

Hon PETER FOSS: I am rather pleased to see this provision, because members may recall that I have introduced into this Parliament on about three occasions a Bill dealing with the duties of directors of statutory corporations, but I was not able to get that Bill passed by the Parliament. I think I did get it through this House. It is interesting that even though I did not get that Bill passed, that provision has popped up in the legislation for the State Government Insurance Office, the R & I Bank of Western Australia Ltd, and AlintaGas and Western Power.

This is a fairly standard provision that is intended to deal with the problem that was faced by the State Government Insurance Commission when it was directed to purchase the Bell Group shares. The argument at that stage was that if the directors had been exercising proper independence, they would have said that it was against the commercial interests of the corporation to do that - even though it might have been in the Government's interests.

This is an important accountability provision to ensure that the Government does not use the corporation as a large pocket from which it can draw money. If the board believes that something is not in the interests of the corporation, it is its duty to say that it will not

do it. Where the Minister then gives the board a direction which it determines is inconsistent with new section 30(1), or is illegal or ultra vires, it must notify the Minister in writing within seven days. The Minister must then consult the Treasurer, and, having regard to those consultations, the Minister must cancel or confirm the direction, and the corporation is not required to give effect to the direction unless it is so confirmed.

The intention of this clause is to put firmly on the record that the Minister has given a direction which the board of the corporation believes is illegal or is not in the commercial interests of the board. It would be a brave Government that gave a board a direction for which it did not have very good reason. This is very much an accountability provision, and I am pleased to see it in this Bill, because I believe it has always been necessary to ensure that corporate separateness is recognised and is not used by the Government as a big pocket.

Clause put and passed.

Clauses 66 to 70 put and passed.

Clause 71: Protection -

Hon PETER FOSS: I move -

Page 43, line 15 - To insert after "79(3)" the passage "or (6)".

The reason for this amendment is the same as for the previous amendment.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 72 to 74 put and passed.

Clause 75: Exemption from rates -

Hon SAM PLANTADOSI: What is the general thrust of this clause?

Hon PETER FOSS: Although we will have a tax equivalent regime, we have not yet arrived at the belief that that should result in a windfall for local government; consequently, the combination of this clause and the following clause is that although the corporation will become liable to pay an amount equivalent to local government rates, that will go to state revenue rather than local government revenue.

Clause put and passed.

Clause 76 put and passed.

Clause 77: Payment of amount in lieu of Commonwealth tax -

Hon KIM CHANCE: I speak on this clause only because my friend the Minister for Transport would like to speak against it but might feel constrained! This clause deals with the imposition of the taxation equivalent regime, which is a principal component of the Hilmer reforms. In my view, TER is the ultimate absurdity of the Hilmer principles. The idea that somehow the taxpayers and the producers of the nation benefit by applying a taxation equivalent regime to corporations which provide transport, utility and marketing services - that whole group of services which are provided by government to commercial and domestic consumers - is just absurd and belongs with the fairies at the bottom of the garden mentality which believes in the level playing field on which our foreign competitors want us to compete. I do not think such a level playing field exists. It is a load of intellectual fantasy, as I may have said previously, for want of being able to use more blunt terms. I have recorded my view. I definitely do not like this clause.

Hon PETER FOSS: I record the contrary view.

Clause put and passed.

Clause 78 put and passed.

Clause 79: Dividends -

Hon PETER FOSS: I move -

Page 47, lines 4 to 29 - To delete the lines and substitute the following -

(4) The corporation is to pay the final dividend -

- (a) as soon as practicable after the amount is fixed under subsection (3); and
- (b) in any case not later than -
 - (i) 6 months after the end of the financial year to which the final dividend relates; or
 - (ii) such other time as may be agreed between the Treasurer and the board.

(5) If the board considers that payment of an interim dividend is justified by the net profits of the corporation during part of a financial year, the board may make a recommendation to the Minister as to the amount of the interim dividend that the board recommends should be paid to the Treasurer.

(6) The Minister, with the concurrence of the Treasurer -

- (a) may accept a recommendation under subsection (5); or
- (b) after consultation with the board, is to direct that the amount of the interim dividend is to be some other amount.

(7) The corporation is to pay an interim dividend -

- (a) as soon as practicable after the amount is fixed under subsection (6); and
- (b) in any case not later than the end of the financial year to which the interim dividend relates.

(8) The Minister is to cause the text of any direction given under subsection (3) or (6) to be laid before each House of Parliament within 14 days after the direction is given or dealt with in accordance with section 87.

This amendment effects a difference in the payment of the interim final dividends. In a battle between Treasury and the others, Treasury won.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 80 and 81 put and passed.

Clause 82: Hedging transactions -

Hon J.A. SCOTT: As with Hon Kim Chance's objection to the level playing field theory earlier, I object on moral grounds to any body set up by Government playing with foreign currencies. Although everybody is doing it these days to maximise their profits, unfortunately it has a very serious inflationary effect and it leads to people hedging who do not have the skills to play the currency market in the way that some more practised bodies are able to do so. It is an area of profitability that should be taxed at 100 per cent to prevent it from occurring. Having said that, I object to such transactions and no Government should encourage it in any way.

Clause put and passed.

Clause 83: Guarantees -

Hon SAM PIANTADOSI: Guarantees to the Water Authority are not provided for by the State Government in the way proposed under clauses 83 and 84. Has an estimate been made of the likely impact of that on borrowing costs to the authority?

Hon PETER FOSS: They are currently borrowed by Treasury Corporation and lent on to the Water Authority. It is believed they are likely to be relatively small costs as a result of the change.

Hon SAM PIANTADOSI: What could be that small cost?

Hon PETER FOSS: We do not believe there is a great chance it will be an increase. If it is, it will be a relatively small increase. The authority is not a huge borrower. The biggest amount of borrowing by the Water Authority has been internal borrowings from the current cost depreciation account. I do not believe it will be a significant cost.

Clause put and passed.

Clauses 84 to 91 put and passed.

Schedules 1 to 4 put and passed.

Title put and passed.

Report

Bill reported, with amendments, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon Peter Foss (Minister for Water Resources), and returned to the Assembly with amendments.

AGRICULTURAL LEGISLATION AMENDMENT AND REPEAL BILL

Second Reading

Resumed from 6 December.

HON KIM CHANCE (Agricultural) [9.40 pm]: I face a challenge because I have given certain undertakings to progress this Bill with great dispatch. The Opposition is pleased to support this Bill which contains two unrelated items, one of which is fairly significant. I do not want to downplay the significance of the other item, but it is of no great urgency. Nonetheless, that provision of the Bill which amends the Grain Marketing Act to enable the Grain Pool to make a cash offer for prescribed grains - barley, lupins, canola and linseed - is important. Both the Government and the Opposition agree that it is important that the legislation be passed prior to the summer recess. It is important because harvesting is already well advanced at this stage, and farmers are making decisions about the crop they will plant for next year. The changes which will flow as a result of the amendments to the Grain Marketing Act will enable the Grain Pool to proceed into the next production and selling year with the surety of the legislation that will enable it to make these cash offers. It is an innovative arrangement and I believe it is structured in such a manner as to provide a new form of marketing option for growers, without exposing them to unnecessary risks which, unfortunately, are inherent in the private grain market. It is necessary to note that farmers, and particularly grain growers, are deeply suspicious of the private grain trade and have some reason for that. However, some of it is inherited from their fathers' experience in the 1930s.

Hon Julian Grill and I have had the benefit of an extensive briefing from the Minister's office and the Grain Pool, and we are satisfied that the legislation contains effective quarantine provisions which not only safeguard the interests of those growers entering into these cash offer marketing options with the Grain Pool, but also isolate any trading losses which might occur outside the pool, as a result of unforeseen marketing slumps. Such a slump would not impact on those participating in the more conventional pool marketing arrangements, because of the protection of the general reserve fund which is a component of the Grain Pool finances.

The other, and somewhat lesser, provision of the Bill is to repeal the 1954 Soil Facility Research Act, and transfer the fund reserves created under that Act to the jurisdiction of the Grain Research Committee which is established under the Grain Marketing Act. The Soil Facility Research Act enabled the collection of voluntary levies from grain growers, and it became redundant in 1957 when commonwealth legislation enabled the imposition of compulsory levies which have passed through various means of administration. From that time the Act was not necessary and it should probably have been repealed shortly after 1957 but, for one reason or another - I am not sure why - it was not. The fund continued to collect interest and levies and as a result there is now approximately

\$530 000 in the fund. As a result of this Bill, those funds will be under the jurisdiction of the Grain Research Committee, established under the Grain Marketing Act.

I apologise if members think I have skipped over this Bill. It is not for want of having done the work or for want of the Bill having been debated in another place. Extensive debate occurred on this matter in the Legislative Assembly between Hon Julian Grill and the Minister for Primary Industry. I advise those who may wish to refer to that debate that it took place on 6 December. The Opposition has looked at the matter very closely, and both the Government and the Opposition are keen to see the Bill enacted. The Opposition is pleased to offer its support.

HON E.J. CHARLTON (Agricultural - Minister for Transport) [9.46 pm]: I thank Hon Kim Chance for his comments. He is quite right in saying it is a significant step into a new dimension as far as the Grain Pool and these grains are concerned. Changes have been made in the wheat industry, and the member has indicated that the Grain Pool is very concerned about any massive change in marketing grain. Grain industries around the world are very volatile but Australia has not suffered from that volatility. It has maintained continuity and security, and obtained the best prices on world markets. These changes will add a new dimension and will give additional flexibility, while retaining the safeguards. We do not need to spend hours debating the Bill; it will not make any difference to the legislation. It is great to see bipartisan support for the legislation, which the grain industry wants. I am sure everyone will benefit and I thank Hon Kim Chance and the Labor Party for their support.

Question put and passed.

Bill read a second time, proceeded through remaining stages and passed.

**WATER RESOURCES COMMISSION BILL
WATER SERVICES COORDINATION BILL
WATER AGENCIES RESTRUCTURE TRANSITIONAL AND
CONSEQUENTIAL PROVISIONS BILL**

Cognate Debate

On motion by Hon Peter Foss (Minister for Water Resources), resolved -

That leave be granted for the Bills to be debated cognately.

Second Reading

Resumed from 21 November.

HON SAM PIANTADOSI (North Metropolitan) [9.50 pm]: While addressing these proposed changes I will focus mainly on the Water Resources Commission Bill. It is clear that this Bill is an attempt to place the delivery of services on a commercial basis, and bring them under the umbrella of the Water Resources Commission. That is a very important aspect of this legislation considering some of the errors in the past when such control was not placed in the hands of one organisation. The main problem as a result of that is the pollution to our underground water supply. My concern relates to local government control of drainage. I may have missed it but I cannot find in this legislation any reference to drainage.

I am concerned also about road drainage, another responsibility of local government, although this responsibility varies between the city and different councils. Some years ago I suggested a possible solution to drainage problems in the city, which is a large catchment area. A huge volume of polluted water flows from our city roads into the Swan River. I suggested that we set up holding tanks - similar to those at Claisebrook - to capture the overflow so that the water could be treated and put to good use. My suggestion was to establish a pipeline along the route now taken by the freeway to the north to carry the water from the holding tanks to supplement our wetlands. In the North Metropolitan Region some of the wetlands along the coastal strip are increasing in size but they are becoming very polluted. They are becoming an environmental disaster. With the increase in building and construction and roadways, more pollution is entering

our wetlands. Currently we do not have a system to remove the pollutants from the water and put it to good use. That is a pity. We have the new recreational park north of the river which will provide recreational space and facilities to meet the needs of the northern suburbs. Ultimately, if the area becomes a dead lake it will create problems not only for people using the facility but also for the wildlife, and the area will no longer be used for recreational purposes. We must take steps to protect that area.

I make that point because, as I have said in the past, one of the greatest sources of pollution of underground water is our road system. Unfortunately in the past the easy option has been to allow the water to drain into various areas regardless of the long term damage to our underground water supply. The problem is compounded in the East Metropolitan Region, especially in Bayswater and Bassendean. Because I live in Eden Hill I am well aware that I must turn on my bore at night. I dare not turn it on in the day because of the heavy industries carried out by Cresco and at the former Vickers Hoskins site. There was a steel plant near the junction of Collier Road and Iolanthe Street. The derelict buildings that were left there for a number of years after the plant closed have been demolished now. We are all aware of the ground pollution problems at Tonkin Park. The entire area has been a disaster. The heavy metals from the Bayswater industrial area that flow into the Bayswater drain from companies such as Cresco have supplemented the pollution from the roads. Perhaps I have it wrong, but I believe the drains are sited about every 100 or 200 metres. Therefore there are many entry points to our underground water system from our roadways. There cannot be too many areas remaining in the developed parts of metropolitan Perth where pollution has not occurred, although it is greater in some areas than in others.

In the debate on infill sewerage, I suggested that, in areas where there was no deep sewerage, road drainage should be connected to the sewers. There are problems with regard to the capacity of the sewers to cope with road drainage. However, the benefits of that suggestion would far outweigh the negatives. The infill sewerage program goes only part of the way to solving that problem. We may be removing the problem with the septic tank fiasco, but a major component of the pollution still exists.

The legislation contains no mention of the agreements which might be reached with respect to the Water Resources Commission taking over local government responsibility for coping with that problem. I support the proposal for bringing the various agencies under one roof. That is a positive step which will, in the long term, ensure that we maximise the quality of water supply. However, consideration must be given to eliminating the possibility of a major disaster down the track. In some areas, especially in the inner suburbs, points of entry into the ground water supply have existed for many years. Unless something is done about that problem, by removing the septic system through infill sewerage, we will have solved only part of the problem.

The Water Services Coordination Bill addresses issues of policy and planning. It provides a coordinator for the long term aims of water supply in the State. Although it may have become a bit of a boring exercise over the years, I never fail, in my Address-in-Reply speeches, to refer to water pollution and to looking after water, which is our number one resource which we cannot do without. The Water Resources Commission should go a long way towards solving the problem. Some things that have happened recently have concerned me as they highlight a need for coordination. The Minister may be aware of the development near Gribble and Balcatta Roads in Gwelup where money was paid to build a pumping station. The council gave approval for the development subject to the pumping station being established. The Water Authority took the money from the developers, but the pumping station has not been built after two years although the money has been paid. Another subdivision not far away has been allowed to go ahead, but there is no facility to pump sewage. The development has been allowed to go ahead in an area which is part of the Gwelup water catchment area. In that area, trucks pump out the sewage tank every night and cart the stuff away. The area may not be in the East Metropolitan constituency, but perhaps the Minister would send Hon Iain MacLean along as his representative with me to talk to the residents. I am sure they would voice their opinion. By sending Hon Iain MacLean, that might mean that he ends

up in the pumping station and not the Minister, although that is not to say that Hon Iain MacLean is expendable.

The Minister is aware that the treatment plant in Gwelup covers a small area. It probably supplies between 6 per cent and 8 per cent of the ground water in the northern suburbs. However, there have been problems and some of the bores have had to be closed. Some of those bores bordered the old Hertha Road tip and they have been closed because of leaching and because the drawing of water caused a suction effect which caused problems. Wetlands once stretched from Lake Gwelup to Yanchep. Many of them have been destroyed and used for landfill. If we can stop the damage and prevent the leaching, people in future will at least consider our actions to have been honourable as we have tried to correct some of the wrongs which have occurred in the past. That may be only a small effort in this instance, but it may allow people to enjoy some of those facilities in future.

I would have preferred the Water Authority to have retained the role it was performing because it was performing a good role. With the establishment of the different structures, it is important that we ensure that we have complete control over water. I would like the Minister to consider the problem with the local government areas where there are open drains as they are part and parcel of the problem of water feeding into the system. Bayswater drain, which is in the Minister's electorate, and other evident problems are the major source of pollution in the Swan River.

Hon Peter Foss: From the metropolitan area?

Hon SAM PIANTADOSI: Yes. Obviously, something needs to be done. We should consider businesses such as the car battery business which operates at the corner of Jackson Street and Collier Road. I do not live far from that business; I have passed it on many occasions. It is still burning tyres and copper wires and polluting the atmosphere. Where does burnt out copper go? It leaches into the soil. Such businesses should be subjected to strict controls and should not be allowed to operate on natural ground. They should be set up on a concreted area.

Hon Peter Foss: As a very minimum precaution, that seems to be a good idea.

Hon SAM PIANTADOSI: That is only a small part of the operations. The Minister may recall the business which became known as Sims at the corner of John and Munt Streets, Bayswater. There were smaller operators throughout the area. I do not say that they should be put out of business, but battery businesses should be controlled in special areas so that leakage does not occur. At the moment everybody seems to be taking the easy option. Obviously, the new body will have oversight of all those matters. I should like penalties to be increased considerably in respect of industries that flout the system. I have mentioned companies such as Jasons with its galvanised -

Hon Peter Foss: We are dealing with that.

Hon SAM PIANTADOSI: It has been going on for far too long. I have previously mentioned occasions when some of my constituents went to a place just off Pilbara Street, Kewdale, just down from where Jasons was. They left their shoe soles behind because of the acid that had been dumped by the company. Jasons was one offender, and there was also another company in the O'Connor industrial complex, which was basically in the same business. I do not say that there is a majority of such companies, but if we are to be definite about what we hope to achieve, we need to make sure that they know that we mean business. We all know about the mob in Belmont and the chemicals that it buried. There was a drainage sump next to that chemical company. Was it Bayer?

Hon Peter Foss interjected.

Hon SAM PIANTADOSI: There was a drainage sump next door, and the company buried the chemicals. That was dangerous. Many people nearby draw water. With the sandy nature of our soils, chemicals move quickly when they leak. That is dangerous. I do not want to penalise business, but the long term future of our State far outweighs any quick profit that some people may make. The same applies to liquid waste cartage contractors. They also dump wherever they can rather than go to an official liquid waste

dump. Some of them have driven slowly along rights of way in the middle of the night, offloading as they go. Mt Lawley-Inglewood is a good example of where that has occurred. They start at Beaufort Street and work their way to Hamer Parade and offload.

Hon Peter Foss: We have a few surprises for them.

Hon SAM PIANTADOSI: Those are some of the goings on. For a price, some people were able to get devices to open manholes. They would go to a dark, secluded spot and dump liquid waste such as oil which they might have picked up from a garage. That caused problems down the track and it caused problems at the plant as well. Eventually, the pollution filtered into the ocean. The problem compounded itself. I hope that the new body will have sufficient teeth to ensure that it can take the necessary action. It is certainly needed. The Minister does not need me to spell out that some people understand only when they are threatened with being put out of business. That is the only time they comply with rules and regulations.

I would certainly like those matters to progress, especially drainage. It is most important. There are some positive moves. The Minister knows my views. Overall, I do not support the proposal but I believe that if such changes are to take place we should consider how to make the proposal complete.

HON KIM CHANCE (Agricultural) [10.18 pm]: This is a cognate debate encompassing three Bills, with which I will deal in order: The Water Resources Commission Bill, the Water Services Coordination Bill and the Water Agencies Restructure (Transitional and Consequential Provisions) Bill.

Dealing first with the Water Resources Commission Bill, in the break-up of the components and functions of the present Water Authority of Western Australia we have dealt with the provider of water services, and that is the Water Corporation. The second in the trilogy of organisations which will replace the Water Authority is the commission which, to choose a one-word description, is the protector agency: One to provide, one to protect. Later we will deal with the licensor-regulator. It is a reasonably classic model for anybody seeking to reform a major public authority into its principal components.

The Water Resources Commission Bill places water resources under the control and management of a special purpose agency. Water resources in this sense include watercourses, lakes, wetlands, aquifers, estuaries, rivers, and surplus and surface water. The commission's charter is to concentrate on the assessment, conservation, protection and management of those resources. It is, in a very real sense, an agency which will serve two functions: First, as the resource manager and, secondly, as an environmental agency. It is the second part that perhaps needs some attention. It is very easy to look at the protector of resources as nothing more than a resource manager because it will be the organisation that licenses access to public supplies of water. Nonetheless, it has always been an issue for the Water Authority of Western Australia as a major user of ground water to ensure that its use of the aquifer does not impact on other water users and, more importantly, on the environment. I know the Water Authority spent a great deal of money trying to protect the wetlands from drying out simply because of their overuse.

What distinguishes the Water Resources Commission from the Water Corporation in the first instance, apart from its function, is that it is a consolidated fund agency, and that is entirely proper. The guardian of public resources should be an agency funded out of the consolidated fund. This Bill also provides for the amalgamation of a number of existing agencies charged with resource and environmental protection functions; for example, the Waterways Commission, the Water Resources Council and those assessment and management roles of both the Water Authority and the Department of Minerals and Energy.

A new advisory body will be created and will be known as the River and Estuaries Advisory Council. The major resource protectors which will not be taken in by the scope of the commission's actions will be the Swan River Trust and the management agencies. The River and Estuaries Advisory Council will have as one of its members the chairman of the Swan River Trust. The function of that council will be to provide ongoing advice

to the Water Resources Commission. In taking on this new and expanded role the commission will assume the powers and functions from other Acts. I will refer briefly to one of those Acts.

Part IIA of the Country Areas Water Supply Act provides for the administration of the scheme that licenses clearing on certain controlled land, and that will become one of the commission's functions. The question I put to the Minister is: What is the nature of the powers of part IIA of the Country Areas Water Supply Act which will be absorbed by the commission? My recollection is that it is that part of the Act which dealt with the administration of not only clearing controls, but also the compensation provisions for land within the prescribed catchment areas. The House must know whether the administration of the compensation provisions of Part IIA will fall into the area of the commission's responsibilities. It has always been a function of the Water Authority of Western Australia.

Hon Peter Foss: Are you referring to clause 10 of the Bill?

Hon KIM CHANCE: Yes. I thank the Minister for his interjection and I now have my Bill open at that clause.

Hon Peter Foss: Does that answer your question or do you want me to provide more information?

Hon KIM CHANCE: Who will have the role of administering the compensation provisions of part IIA of the Country Areas Water Supply Act? The reason it is an important question, apart from the fact that I want the compensation provisions to continue to be as well managed as they have been, is that there is a peculiarity about the outcome of those compensation provisions. Generally, when funds are provided for compensation from the consolidated fund the State, under some other agency, assumes the ownership of the land. My understanding of part IIA of the Country Areas Water Supply Act is that the consolidated fund provides the Water Authority with the money to purchase the land and the land title is in the name of the Water Authority.

Hon Peter Foss: That is all being transferred to the commission. I will sign an order for the land currently owned by the Water Authority and any land, other than the land that is absolutely required for the operations of the water utility, will be vested in the commission.

Hon KIM CHANCE: The Minister has answered my question. As the resource manager, the commission also licenses the rights of access to the resource.

Hon Peter Foss: That is right.

Hon KIM CHANCE: I was a little confused by that at first because I saw the coordinator, the subject of the next Bill, as the licensor rather than the commission. The coordinator is charged with licensing the provision of services and implementing the plumbing standards while the commission is in charge of licensing access to the resource.

The Water Services Coordination Bill provides for the establishment of a Coordinator of Water Services and the creation of an Office of Water Services. The Water Resources Commission will provide administrative support to that office. The office will be established as a Public Service department; that is, an agency funded out of the consolidated fund in the same way as the commission.

Hon Peter Foss: It will be called the Office of Water Regulation. That is a lot easier to understand than the other title.

Hon KIM CHANCE: The Coordinator of Water Services will be responsible for two broad functions which were defined in the Minister's second reading speech; firstly, policy and planning and, secondly, regulation of matters associated with providing water related services. The justification of this Bill, ostensibly anyway, is to ensure that consumers of water related services are assured a quality water related service distribution system and a high level of customer service. The Bill recognises that those two functions which I have recognised cannot be performed by the newly created provider, the Water Corporation, or the protector, the Water Commission. The functions

of the coordinator then are to assist the Minister in planning and coordinating the provision of those water related services; the establishment and administration of a licensing regime for the provision of those services in prescribed areas; to report publicly on the operation of the State's water industry; and to protect the interest of customers in the level of services provided and, importantly, of the tariffs charged by the service providers. Each of the coordinator's proposed functions contain issues relating to the effectiveness of the regulatory regime that this Bill is seeking to construct.

It is in this area that the water Bills collectively, after having followed so faithfully in the principles laid down in the thirty-sixth report of the Standing Committee on Government Agencies, begin to stray from that line. I appreciate the way the Bills have followed the line so far. However, it is at this point and with this agency that the circumstances could not provide for the complete fulfilment of what the thirty-sixth report called for. That is because tariff setting remains the function of the Minister under the regime established by these Bills. It is the Minister's role in consultation with the coordinator established under this Bill. The view established by the thirty-sixth report calls for that to be a more public, open process to be decided on the record. The provider of the service would make a bid in a forum not unlike the Industrial Relations Commission. It would be then open to any consumer or group of consumers to argue whether that bid was relevant. I do not see that as a matter of criticism; I merely note that at that point the similarity between the two begins to diverge.

As for the first of the coordinator's functions, there seems to be a division between the coordinator's capacity to provide so-called independent and wide ranging advice to the Minister in the planning and coordinating of service provision, and the coordinator's responsibility for administering the licensing regime. In some part at least it means that there will probably be some unnecessary duplication of the role of the Water Resources Commission within the Office of Water Regulation. These two discrete entities will need to liaise closely on planning and service provision issues, otherwise it will bring into question this legislation's distinction between commercial and economic matters in the matter of service provision. The arrangements for the licensing of water related service providers appear complete enough to ensure that whoever is licensed to participate in the water industry will participate in a way which ensures that the present high standards of service are met.

Hon Peter Foss: There is capacity to ensure that they are met.

Hon KIM CHANCE: That is a fair comment.

The licensing arrangements could omit more than the Government intends to omit, even though they are not limited at all by the contents of the Bill. That is because this legislation cannot provide for the interests of consumers over and above those of the suppliers of water related services. Although the Bill goes some way towards establishing an appropriate regulatory mechanism, it cannot provide for such matters that will ensure that the overall interests of the community are met by the service providers. There must be a limit to what it can do. To that extent it could be said that it entrenches a division between community interests and the interests of the service provider. That is the difference between what the thirty-sixth report says about the community's access to tariff setting policy making on the record, and the manner in which it has been done. I do not think the Government had any choice other than to do it the way that it did; however, we need to recognise the fundamental difference in this component.

Another issue which renders this Bill a little problematic is the contradiction between the coordinator's responsibility to ensure that the terms and conditions of any licence are met, and clause 57 of the Water Services Coordination Bill which allows both providers and consumers of water related services to resort to the cloak of commercial confidentiality. Clause 57(1) stipulates that where a request is made under clause 56, a person may object to complying with it on the grounds that it may disclose a trade secret.

Hon Peter Foss: It still does not necessarily mean it will be approved; there must be a trade secret.

Hon KIM CHANCE: Trade secrets are also defined in clause 57, which encodes the power of the coordinator to ensure that the conditions of any licence are met. It overrides clause 56, which sets out the coordinator's means of requiring prescribed information to be given, and also defines prescribed information. The extent of that exception reduces the accountability that should be inherent in the licensing process. Perhaps by rendering the details of licence arrangements opaque clause 57 could ultimately hinder the proper operation of this Bill and impinge on the ability of the Coordinator of Water Services to police the standards of the water service providers. The Bill does not specify exactly how the level of tariffs will be determined, even though it is supposedly the responsibility of the water services coordinator to protect the interests of customers in respect of prices charged by the water services utility. That is drawn directly from the Minister's second reading speech.

Hon Peter Foss: We have a national obligation.

Hon KIM CHANCE: Yes. It not only omits that point, but also it does not provide any sanction to the Coordinator of Water Service to ensure charges are set fairly, apart from the licensing arrangements. It could also be argued that the Office of the Water Services lacks the independence that a regulatory body should have for the setting of tariffs. This legislation does not provide for this supposed function of the Office of Water Services at all.

I will deal very briefly with the third Bill in the suite, the Water Agencies Restructure (Transitional and Consequential Provisions) Bill. I will not refer to each of the Bills in a long list that are to be amended by this Bill. Its name is reasonably descriptive. The effect of the Bill is to make the necessary adjustments between the different pieces of legislation that are affected by a set of reforms as sweeping as this. No-one has any doubt that this is a major restructure of the water services industry. I am afraid that to some extent we will have to take the Government on trust about its amendments. I have not been through each one, taken them back to the principal Act and tried to analyse the outcome. It would be a huge task. I do not know to what extent Hon Sam Piantadosi has done that.

Hon Graham Edwards: He has done a very good job.

Hon KIM CHANCE: He has indeed. He has had the carriage of these Bills and he has done an excellent job. At this stage I know there are 10 pages of amendments.

Hon Peter Foss: It really is the same one that relates to changing the name.

Hon KIM CHANCE: I noted that. While the Minister is responding, I will have a chat with Hon Sam Piantadosi to see whether we can expedite the passage of those amendments. Although we oppose all of these Bills, we will expedite the inclusion of the amendments into the legislation because that is the Government's wish. Dealing with legislation of this size cognately is not the easiest task in the world. I think I have done that within the time allocated to me. It was not a matter of simply speeding up the process; my comments had to be made. It would have been very difficult to deal with any one of these three Bills in isolation from the others because they are intertwined. We accepted that that was the only way we could deal with the matter. For those who are interested in the time they might be getting home this evening, as far as I am concerned we do not have a great deal of work to do in Committee. However, I do not know whether Hon Sam Piantadosi has many matters to raise.

HON J.A. SCOTT (South Metropolitan) [10.44 pm]: As Hon Kim Chance has just said, these three Bills are intertwined and it is very difficult to look at any one of them in isolation. I must commend the Government for looking at many aspects contained in these pieces of legislation, particularly the moves in the Water Services Coordination Bill to promote the development of commercial applications relating to water of all descriptions, including stormwater and wastewater and by-products from the treatment of wastewater etc. Those initiatives are very important. I am not sure whether looking at them in a commercial sense is the only way to go. There are probably many ways in which we could deal with that sort of thing much more easily than some of the over-engineered solutions we have, for instance, the wastewater that runs off the roads, goes

through myriad extremely expensive drains, and then runs into the Swan River and the ocean. They are wonderful pieces of engineering but are entirely inappropriate. In some cases it would be better to have sand on the side of the road and some limestone to pick up petroleum from the cars, thereby returning the run-off to the ground water. Huge savings could be made.

Hon Peter Foss: Much of that is done through local government. Hon Sam Piantadosi raised that point, and it is valid.

Hon J.A. SCOTT: I saw an elaborate scheme involving a sink in South Perth. Problems occurred and it had to be re-engineered. I then asked why it was not allowed to soak off at the road verge rather than being piped all the way to the river.

I refer to the Water Resources Commission Bill. Many of the aims are very good when we look at all of the Bills as one package. The second reading speech states -

The new commission will provide a better focus on water resources management and protection, balancing the planning and use of water along principles of sustainable development and providing a more efficient combination of planning and management of both underground and surface water resources in the one agency. It will also provide a more complete and unfragmented appreciation of multiple uses of water . . .

I wondered about the ability to construct buildings which are not very wasteful of water. I know that mechanisms are available to enable us to reuse -

Hon Peter Foss: The subdevelopers are already addressing that.

Hon J.A. SCOTT: The amount of water used in laundries is almost exactly the same as the quantity used in lavatories. Plumbing could be put into new houses that would cut the use of water by 25 per cent. That quite simple initiative could be included in these sorts of Bills. The second reading speech for the Water Services Coordination Bill states -

The Office of Water Services will be independent in its advice and operations, but will be provided with some administrative support by the proposed Water Resources Commission. The functions of the coordinator are to assist the Minister in planning and coordinating the provision of water related services in the State, to provide the Minister with wide ranging independent advice on policy relating to the provision of water services, and, as outlined above, to establish and administer a licensing regime for provision of water services in controlled areas.

As it stands, we have an agency that covers all areas and there is a certain amount of multiskilling in departments where people doing service work can report back on other problems and possibly do something about those. I wonder about the levels of staff that will be required by the Water Resources Commission to assist the coordinator as well as do its own job.

Hon Peter Foss: Much of it is already established through WAWA, which had a significant water resources branch.

Hon J.A. SCOTT: The second reading speech on the Water Services Coordination Bill states also -

The coordinator will protect the interests of customers with respect to the levels of service provided and prices charged by water service utilities, including the Water Corporation, the Bunbury and Busselton Water Boards, and other licensed water services providers.

I suppose it is a philosophical problem of mine; however, I like to think that we are more than customers where water is concerned - we are users. The emphasis on customers is okay in the previous Bill we discussed tonight; however, perhaps that emphasis is not required in the coordinator's Bill. I am unsure about the part of the speech that states -

The coordinator may delegate functions and the Minister has a reserve power to give directions . . .

To what level of function would this be? I found it difficult to work out whether it might run into some problems with delegated legislation, for instance.

Hon Peter Foss: The main thing is for the inspector. The only one that occurs to me is when you want somebody to look at something.

Hon J.A. SCOTT: The second reading speech states further -

It will be a condition of every operating licence that the licensee, subject to certain limited exceptions, will:

provide the water services referred to in the licence; . . .

comply with the minimum technical standards for the provision of water services which will be published by the coordinator in the *Gazette*.

I presume from the Water Corporation Bill that this would include environmental standards, although it does not say so.

Hon Peter Foss: Some of those would be set by the Environmental Protection Authority. The EPA continues to have paramountcy over everything.

Hon J.A. SCOTT: The speech states also -

There is a qualified exemption to the requirement to provide information where disclosure would result in the disclosure of commercially sensitive information. Penalties also apply for failure without reasonable excuse to comply with the coordinator's request or for giving false or misleading information.

Why in this area is commercial sensitivity the only sensitivity that is given any credence by Governments? After all, we are talking about something that everybody in the State will use.

Hon Peter Foss: Have you read the relevant clause?

Hon J.A. SCOTT: I cannot remember it.

Hon Peter Foss: It talks purely about trade secrets - the idea that you are required to disclose certain things.

Hon J.A. SCOTT: The speech states further -

An important aspect of the Government's policy in the area of water industry reform is to enable other providers of water services to enter the water services market in competition with the Water Corporation. By establishing a licensing regime, this Bill facilitates that objective. An important adjunct of that objective is to ensure that private providers have access to certain of the powers which are currently enjoyed by the Water Authority.

I hope these powers are minimal and will not take over any of the roles the Water Resources Commission might have. The Water Services Coordination Bill and the Water Resources Commission Bill will provide good safeguards. Provided I receive reassurance on some of the points I have raised, I will be happy with these Bills. I must admit to having a high level of ignorance of the Water Agencies Restructure (Transitional and Consequential Provisions) Bill because I have not had time to go through it.

HON PETER FOSS (East Metropolitan - Minister for Water Resources) [10.57 pm]: The matters have been summed up well by Hon Sam Piantadosi, who said that water is such an important resource it deserves and must have a single coordinating body. It is extraordinary that we have not had one before when we consider the number of single bodies for other resources. It is a benefit to bring these together.

The first question Hon Sam Piantadosi asked was on drainage in local authorities. That matter was raised also by Hon Jim Scott, who pointed out that many things cause problems with our water resource, particularly water run-off from metropolitan roads, for which there are simpler solutions than those we currently have. For instance, a simple engineering solution is that rather than that water being carefully channelled into the river

at great expense, it could be run off the side of the road onto the verges. I visited Wyong, next to Tuggerah Lakes, which had exactly the same problem as has been raised by both members opposite. An environmental officer was appointed to the city. One of the first things he did was get rid of the kerbs. The water is directed off onto front lawns and is generally taken up by the grass. The big problem in that city was the nutrients in Tuggerah Lakes that led to a high quantity of algae growth in the river. The member is right that many of the solutions are further back along the line and could involve simple engineering solutions.

Clause 10 of the Water Resources Commission Bill contains two subclauses. The first deals with the powers of conservation, protection and management vested in it by various written laws. Subclause (2) states that in addition, the commission has the functions of advising the Minister; assessing water resources and carrying out works under part 4; planning for and promoting the efficient use of water resources; undertaking, coordinating, managing and providing practical and financial assistance to activities and projects for the conservation, management or use of water resources; developing plans and providing advice; carrying out, collaborating in or procuring research or investigations; and publishing information. The powers are referred to in subclause (1) and the functions are referred to in subclause (2). The definition of "water resources" is sufficiently broad to pick up local authority drainage, but, at this stage, the powers are those contained in the Country Areas Water Supply Act, the Metropolitan Water Supply, Sewerage and Drainage Act, and so forth; so the powers have not been changed enormously, but they have been brought together in the one body. Some of the current powers have a greater capacity to be used than they have been used to date, because they have been vested in the Water Authority of Western Australia, and WAWA has not wanted to use its powers with regard to metropolitan local authority drainage because it has taken the attitude that it would rather leave it to local authorities than do it itself. WAWA takes the attitude to this day that for it to be involved in drainage is a cost with which it would rather not be involved.

Under this new arrangement, one central body will have certain powers. Those powers are not new powers, because we have tried in this new arrangement not to change water law. That is a separate exercise. This new agency will have the capacity to do some of these things, and even if it does not do them under the powers in subclause (1), it can do them under the functions of coordinating, advising and developing plans in subclause (2). The Water Resources Commission will also have the power to set up special committees. I believe that because the focus of the commission will be different from that of the Water Authority, it will address its mind to that matter, because it is an important matter that must be tackled, as both Hon Sam Piantadosi and Hon Jim Scott have said. However, it is likely that the commission will do what needs to be done through its committees and its coordinating and research powers rather than by taking over and saying, "We will now run this sort of thing." It would not be appropriate for the State to step in and take over local authority obligations, but it would be very appropriate for the State to give assistance. The Water Authority has a long history of giving water resource information and assistance to local authorities and water boards, so it has taken that public role previously, and it would have no difficulty in extending it to drainage.

The Swan River Trust, the Waterways Commission and the various management authorities have all had an interest in the matters which Hon Sam Piantadosi raised in regard to local lakes, but the powers have been vested in the Water Authority, which has not taken much of an interest in local lakes. It recognises that pollution of a lake may mean the pollution of one of its water resources, but the Water Authority has regarded its principal task as being to deal with underground and potable water. This body will have a totally different emphasis, yet it will have the extensive powers that have always existed but have been vested in various other bodies. Therefore, it will have a broader outlook and interest.

Hon Sam Piantadosi: All we are doing is reflecting upon the past. I point the finger at successive Governments, which knew that the problem existed but failed to act on it, except with respect to new developments where new road systems were being put in -

The PRESIDENT: Order! I want the Minister to direct his comments to the Chair and not carry on a conversation.

Hon PETER FOSS: One of the problems that Governments have had is that they approached this matter in a disjointed way. I can say from personal experience that having the joint portfolios of Water Resources and Environment has made this process a lot easier to put together, because it involves a number of government bodies which, although with the greatest goodwill in the world, have not been able to put this together because they have been fragmented. That is one of the problems of government. To put both those portfolios into the hands of one Minister has made this process work fairly quickly and effectively; and I believe that to put all the powers and interests into one body will have a similar effect. I hope that this Bill will remove one of the obstacles that has prevented a lot of people with a lot of goodwill from actually achieving something.

Hon Sam Piantadosi has given a litany of some of the problem areas that we have in the State. That was due partly to the inability to respond commercially; I think the Gwelup situation was an example of that. It was due also to the fragmentation of people's interests in dealing with that matter. Hon Sam Piantadosi made some good comments about small point sources of pollution. To address that matter we need not only this legislation but also the contaminated sites legislation which I have mooted will be brought forward. Those isolated sites which the member mentioned where people carry on a small business may cause pollution of not only water courses and underground water sources but also the land itself. I believe that contaminated sites legislation will deal with that matter.

Hon Sam Piantadosi mentioned also the need to increase the penalties for those companies which are flouting the law. That matter has been addressed. Cabinet has approved amendments to the Environmental Protection Act to make significant increases to the penalties for people who cause pollution. We will also put in place a hierarchical system of penalties, which has been agreed to nationally, so that we can address the question of penalties, and a system of infringement notices, because one of the other problems is that all too often, prosecutions do not take place simply because of the major operation that they involve. A better enforcement regime would be to give someone an infringement notice and say, "Stop doing that", rather than have it turn into a federal case to stop people doing things, which has been a problem.

Liquid waste has always been a problem. I remember as a young lawyer acting for a large liquid waste disposal business which was having difficulty with the disposal of liquid waste. I give the member an assurance that I have a little plan for those people, and I think it will work. I will not outline it here, because it may be a bit of a surprise for some of them, but I hope in the near future to introduce a measure which will have a substantial effect on the illegal disposal of liquid waste in this State.

Hon Kim Chance: Don't tell anyone in the Education Department about it!

Hon PETER FOSS: Hon Kim Chance thinks it would become widely known! I think we can do better than that.

Hon Kim Chance set out the way in which the legislation will operate, and I hope I have dealt with his concerns about the Country Areas Water Supply Act by saying that all of that land will go into the hands of the commission. He pointed out that the Office of Water Regulation does stray from the thirty-sixth report, but, as I said in question time, we have purposely not made a final decision about the final method of regulation. We are concerned about the size of the equivalent office in California, which has a frightening number of people. There is the capacity for some of these independent regulators, if set completely free of government, to become oversized, over burdensome and over costly and not necessarily anything other than a bureaucratic nightmare. We will proceed along those lines slowly. We will make the separation and see how it goes. We will take it a small step at a time because we do not want to set up the possibility of a massive bureaucracy. We will see what happens as a result of each step that we take and we will then reconsider and look at the matter again. I am sure that members will support that approach.

I have already dealt with some of the matters raised by Hon Jim Scott. He was right about building codes. We have already dealt with the waste of water in subdivisions. We have a program so that, even before a subdivision is set out, people consider water waste, conservation and reuse. We will not solve all those problems overnight, but I can assure Hon Jim Scott that the Water Authority of Western Australia is already adopting that approach. It is not a matter of waiting for everyone to do what they want to do and then trying to fix the problem afterwards. Water issues must be considered before the subdivision and the house are even designed. All the people involved will come together in one group and work together. Obviously many years of work will have to be done in that regard.

The number of staff in the regulator will be very small for a short time. We do not want to create a large number of staff. However, the number of staff in the commission will be quite large. I cannot remember the exact number, but there are already quite a few people in the resources area in the bodies which are being amalgamated. They include the hydrogeology branch. The water resources area of the Water Authority is significantly large and that includes the people involved in the Waterways Commission.

Hon Jim Scott also referred to delegated functions. We are principally considering the inspectorial powers. In such a large State as this, some of the processes will involve our having people in the area. We may well use plumbing services people if they are available.

Hon J.A. Scott: Will they continue their education role?

Hon PETER FOSS: Definitely. That is one of the functions in clause 10(2). For example, the Rivers of Blue initiative, which has been very successful, will cross to what will be the Water and Rivers Commission.

With regard to the powers, we must be able to lay pipes. There must be a capacity to obtain access to land to lay drains and pipes and to protect them from abuse. Those are the principal powers involved. I believe that I have dealt with all the matters that were raised. I thank the members who have spoken for three quite different, but very illuminating and helpful speeches on the Bills. I commend them to the House.

Question put and passed.

Bills read a second time.

Committee

The Chairman of Committees (Hon Barry House) in the Chair; Hon Peter Foss (Minister for Water Resources) in charge of the Bill.

Water Resources Commission Bill

Clause 1: Short title -

Hon SAM PIANTADOSI: I want to elaborate on a point that I raised earlier about drainage. I have considered the functions and powers under clause 10. I believe that they should perhaps go further and take account of the considerations that I have outlined, especially with regard to road drainage and open drains. The example that the Minister gave would be impossible to effect in many areas. It may be possible on a flat piece of turf, but that does not often occur.

Hon Peter Foss: The example that I gave was quite steep.

Hon SAM PIANTADOSI: Yes, but some of the areas may be flooded out. We must bear in mind that most big open drains are run by WAWA so it would have automatic control over them. With regard to the drainage of metropolitan Perth from Inglewood eastwards, I recall when I was young that Walter Road used to flood almost every winter. That is no longer the case. The drop in the watertable has been considerable to the extent that, even with a good annual rainfall such as we have had this year, many of the drains contain but a trickle. They are probably more of a problem in that they provide a breeding ground for mosquitos. Perhaps those drains could be sealed off for a period to allow rainfall to soak into the immediate area to build up local stocks. In an above

average rainfall year, the drains could be reopened. By closing them, we would retain some of the water locally. I have not seen too many flooded drains. Perhaps we can hope to retain water in the way that I have described.

I understand the functions and role of the commission, but there should be a more positive initiative in respect of utilising, and catering for, drainage from the road system. We must bear in mind the pollution that occurs from runoff from people's lawns.

Hon Peter Foss: That problem involves sand.

Hon SAM PIANTADOSI: Yes, and it filters down fairly quickly. We must also bear in mind chemical spills. The Minister must be aware of the different kinds of chemicals which are spilt from time to time. They go straight into the system. In metropolitan areas in other States, for example in Melbourne, the drainage and sewerage systems are joined. That is the case in many countries. Our system is a little different and some of our sewer pipes, especially in the newer areas, are not big enough to cater with the volume of water involved. We need to consider that problem in order to fully protect our water.

When we are installing sewerage, we must consider that problem as we need to protect our ground water from being polluted. We must consider a system which can treat the runoff, if only at the primary stage, before it re-enters the ground. Perhaps there could be local holding tanks. We have discussed drains into which chemicals were dumped in Belmont. There could be a mechanism to collect pollutants. Filter systems could be changed. In one locality pollutants have been filtered to an extent. Pollution will go into the sewerage system, so we need to consider a structural plan for the metropolitan area. We could have a filter system that operates through the drains. Perhaps existing drains should be utilised in that way every 100 or 200 metres along our road system.

Hon PETER FOSS: I am at a disadvantage with regard to the technical matters that Hon Sam Piantadosi discussed. I understand his points, but I do not feel confident to comment on them. Obviously, I have not had his experience. The sand on which we live is a significant problem for Western Australia. It is always a problem when dealing with Eastern States solutions, because they work on clay and we work on sand, and anything that we can do on one we definitely cannot do on the other. Also, even our sewers currently go to sea discharge. We are looking at the possibility of going not to sea discharge but to land discharge. For Perth that would involve a 70 per cent increase in sewerage costs. It is an expensive alternative remedy, but it is not necessarily beyond possibility or public acceptance. To dispose of sewage on land we would have to pump it all the way back over the top of the scarp, through the state forests and out into the agricultural land beyond. There are other alternatives such as different types of treatment separating the sewage flow and so forth.

It is a matter of examining Hon Sam Piantadosi's questions. We have a joint sewer mining experiment with the town of Mosman Park at the moment. It involves tapping untreated sewage and subjecting it to a high degree on the spot so that it can be used for reticulation. There are many alternatives. There are different solutions for different places and at different costs, depending on where it is done and on the water stream.

We will have an organisation with a different focus. I keep coming back to that point. The Water Authority certainly is interested in those problems, but always as a by-product of providing water for people to drink and of getting rid of drainage and sewage. It does a very good job. Often, there is some fantastic research of broad general application. For instance, there was the coastal waters study and the Geographe Bay study. These are phenomenal scientific documents which can be used by anybody involved in environmental matters. The difference now is that the focus will be different. It is the environment, the water in the environment and how the two relate. The organisation will be far more open to requests to consider certain matters. I am sure that people come up with all sorts of suggestions. That was not the prime focus of the Water Authority, but it will be the focus of the new commission. Everything will be prioritised, but matters will receive much better attention than previously. I move -

Page 2, line 3 - To delete the word "*Resources*" and substitute "*and Rivers*".

The suggestion is that we rename the commission. The title "Water Resources Commission" gives the wrong focus and could confuse the public. The proposed name is the Water and Rivers Commission. That gives a much better idea of its overall responsibility. "Water Resources Commission" does not indicate its broad environmental responsibility. It is just not water as a product but water in rivers and waterways and so on. All my amendments are to change the name. That happens to be the biggest source of amendments to the Water Agencies Restructure (Transitional and Consequential Provisions) Bill.

Amendment put and passed.

Hon J.A. SCOTT: One matter that was not covered in the second reading debate relates to the coordinator's functions. Although the functions are very broad, one aspect of water pollution is underestimated. We talk about pollution by industry, but a multitude of householders pour all sorts of products into their gardens, backyards and so on, and significantly add to our problems. I wonder whether the coordinator will consider goods that are sold by supermarkets and consider zones in which certain fertilisers and sprays can be used.

Hon Sam Piantadosi interjected.

Hon J.A. SCOTT: Hon Sam Piantadosi points out the low fertiliser use in the catchment of the Peel Inlet. Such measures are extremely important. Even though each household might be very small, their combined impact is great. I hope that the coordinator will address that issue.

Hon PETER FOSS: Obviously, what it does will be up to the commission. It has power to restrict pollution in catchments. Hon Jim Scott is quite right to mention multiple sources of pollution. There is no doubt that the measures that will be brought in under the Environmental Protection Act in particular have been very effective in dealing with major sources of pollution. Our biggest problems now are the diffuse sources of pollution, which tend to be large scale agriculture and urban living. I would not be at all surprised if some of those activities were currently prohibited. The problem of course is making sure they do not happen. We cannot have somebody in a person's backyard telling him not to do it. It is a matter of education. Obviously we must have the law to back it up. However, we will never stop people putting all these solvents and nasty chemicals in their gardens by passing a law. We must educate people. The member is right. The few sources of pollution are really the chief problem area on which we have very little effect in comparison with what we have done with point sources.

Hon SAM PIANTADOSI: There is a solution to this. There should be a form of control at the point of sale. The point Hon Jim Scott made related to fertilisers and chemicals used in gardens. They are impossible to control. In the main, those fertilisers are the ones that increase the nutrient levels in our waterways.

One good example of that, of which most member will be aware, is the Peel Inlet in relation to which legislation was passed a few years ago to resolve the problem of the massive growth that was occurring in that inlet within only half a kilometre of tributaries because of the nature of the sandy soils in that area. Massive amounts of fertilisers are required to get good grass growth for the dairy cattle, which in turn caused a massive problem in those tributaries. The problem was compounded by the fact that the Serpentine River and other rivers have been dammed and their flow has been restricted. Of course, that led to the construction of the Dawesville Cut. Legislation controlling what is allowed to be sold will help to overcome the problem. We may be able to come up with an item that will satisfy the consumer, and which, at the same time, does not pollute our waterways.

Clause, as amended, put and passed.

Clause 2 put and passed.

Clause 3: Interpretation -

Hon PETER FOSS: I move -

Page 2, line 21 - To delete "Resources" and substitute "and Rivers".

Page 4, line 1 - To delete "RESOURCES" and substitute "AND RIVERS".

Amendments put and passed.

Clause, as amended, put and passed.

Clause 4: Water Resources Commission established -

Hon PETER FOSS: I move -

Page 4, line 3 - To delete "Resources" and substitute "and Rivers".

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 5 to 25 put and passed.

Clause 26: Water Resources Commission Account -

Hon PETER FOSS: I move -

Page 16, line 14 - To delete "Resources" and substitute "and Rivers".

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 27 to 36 put and passed.

Schedule 1 put and passed.

Title put and passed.

Water Services Coordination Bill

Clauses 1 to 56 put and passed.

Clause 57: Trade secrets -

Hon KIM CHANCE: When I spoke during the second reading debate I gave the view that clause 57 had the effect of eroding the power of the coordinator to ensure that the terms and conditions of a licence were met. To that extent I feel it overrides clause 56, which sets out the coordinator's means of requiring prescribed information to be given. I hesitated at that stage to describe what is prescribed information. Very briefly it deals with the quality, quantity, service or supply of water services provided or required by the person or occupier in the State or imported into the State by the person or occupier. It deals with water services facilities and water services works, apparatus or process, etc. That is the nature of the information. Clause 57 provides that, on the grounds of confidentiality, that information can be withheld. I believe the potential is there for clause 57 to have the effect of hindering the proper operation of the Bill because of its own provisions.

Hon PETER FOSS: The provisions in this clause are broad. Having given notice, a person must object and then the Minister may exempt; he does not have to exempt. If the Minister does not grant an exemption or grants partial exemption, a person has 21 days to go to the judge of the District Court. The judge has the power to make an order as he or she thinks fit.

We have gone about as far as we can go in dealing with public interest matters. If a person's business or interests are adversely affected there must be some form of appeal. One could argue whether the test is strict. The answer is that the clause is broad, but a person must jump a few hurdles before he can get there. I support the clause. A concrete proposal for better legislation can be made if problems arise when this clause is put into practice.

Hon Kim Chance: The Opposition is not proposing to make any changes.

Hon PETER FOSS: At this stage there must be some form of protection and people's

rights should not be imposed upon. The clause errs on public disclosure rather than the other way.

Clause put and passed.

Clauses 58 to 62 put and passed.

Schedules 1 and 2 put and passed.

Title put and passed.

Water Agencies Restructure (Transitional and Consequential Provisions) Bill

Hon PETER FOSS: I seek leave of the Committee to move all the amendments standing in my name on the Supplementary Notice Paper as one.

Leave granted.

Hon PETER FOSS: I move -

Clause 4

Page 3, line 13 - To delete the word "**Resources**" and substitute the words "**and Rivers**".

Clause 8

Page 4, line 17 - To delete the word "**Resources**" and substitute the words "**and Rivers**".

Page 4, line 18 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 5, line 10 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 5, after line 23 - To insert the following paragraph -

- (e) in the definition of "relevant Act" by deleting ", or the provisions of an Act determined pursuant to an Order made under subsection (2) of section 5 to comprise a relevant Act";

Page 5, line 26 - To delete the word "the".

Clause 15

Page 9, after line 7 - To insert the following new paragraph -

- (c) by deleting "of the Authority" and substituting the following -

"of the Corporation or the Commission"

Clause 20

Page 11, lines 17 and 18 - To delete the lines.

Clause 41

Page 17, line 26, in the third column of the table - Immediately below "71(1)(a)(i)", to insert "83(1)".

Clause 44

Page 19, line 16 - To delete the word "**Resources**" and substitute the words "**and Rivers**".

Page 19, line 17 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 20, line 8 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Clause 46

Page 22, line 6 - To delete ", " before the word "but".

Clause 60

Page 27, lines 19 and 20 - To delete the clause.

Clause 66

Page 31, line 6 - To insert after the word "referred" the word "to".

Clause 83

Page 40, line 25 - To delete the word "Resources" and substitute the words "and Rivers".

Page 40, line 26 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Clause 96

Page 48, line 17 - To delete the word "Resources" and substitute the words "and Rivers".

Page 48, line 18 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 49, line 8 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Clause 106

Page 54, line 22 - To delete "paragraphs (24) and" and substitute the word "paragraph".

Clause 114

Page 59, line 16 - To delete the word "Resources" and substitute the words "and Rivers".

Page 59, line 17 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Clause 119

Page 61, line 23 - To delete the words "that is ratified or approved by any other Act,".

Clause 139

Page 68, line 10 in the first column of the table - To delete the figure "36".

Page 68, line 11 in the first column of the table - To delete the figure "37".

Page 68, line 12 in the first column of the table - To delete "38(a)".

Page 68, line 13 in the first column of the table - To delete "38(c)".

Page 68, line 14 in the first column of the table - To delete "38(d)".

Page 68, line 15 in the third column of the table - To delete the figure "45".

Clause 140

Page 69, line 6 in the second column of the table - To delete the figure "45".

Clause 142

Page 70, line 11 - To delete the words "definition of "the Authority" " and substitute the words "definitions of "the Authority" and "stream".

Page 70, line 16 - To delete the word "Resources" and substitute the words "and Rivers".

Page 70, line 17 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Clause 153

Page 75, lines 15 to 20 - To delete the clause and substitute the following new clause -

153. Section 46 (5) of the principal Act is amended -

- (a) by inserting after "It may" the following -
"*, subject to Part III of the Rights in Water and Irrigation Act 1914,*";
- (b) by deleting "the streams" and substituting the following -
"*any watercourse*"; and
- (c) by deleting "stream" and substituting the word "*watercourse*".

Clause 158

Page 76, line 12 - To delete "paragraphs (3) and (19)" and substitute "paragraph (3)".

Clause 166

Page 79, line 20 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 79, line 21 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Clause 188

Page 88, line 7 - To delete the word " "Council" " and substitute the words " "*Resources Council*" ".

Page 88, line 10 - To insert before the word "Commission" the words "*and Rivers*".

Page 88, line 10 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 88, line 16 - To delete the word " "Council" " and substitute the words " "*Resources Council*" ".

Page 88, line 17 - To insert before the word "Commission" the words "*and Rivers*".

Page 90, line 8 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 90, line 9 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 90, line 25 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 90, line 26 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 91, line 4 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 91, line 8 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 91, line 10 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 91, line 20 - To delete the word "Resources" and substitute the words "and Rivers".

Page 93, line 4 - To delete the word "Resources" and substitute the words "and Rivers".

Page 96, line 23 - To delete the word "Resources" and substitute the words "and Rivers".

Page 96, line 24 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 97, line 14 - To delete the word "Resources" and substitute the words "and Rivers".

Page 97, line 15 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 97, line 26 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 98, line 11 - To delete the word "Resources" and substitute the words "and Rivers".

Page 98, line 12 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 98, line 13 - To delete the word "corporation" and substitute the word "commission".

Page 98, line 27 - To insert after "17(1)(a)" the following "and (c)".

Page 99, line 19 - To delete the word "Resources" and substitute the words "and Rivers".

Page 99, line 20 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 100, line 11 - To delete the word "Resources" and substitute the words "and Rivers".

Page 100, line 13 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 100, line 20 - To delete the word "Resources" and substitute the words "and Rivers".

Page 100, line 21 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 101, line 21 - To delete the word "Resources" and substitute the words "and Rivers".

Page 101, lines 23 to 29 - To delete the lines and substitute the following -

1. Section 20D (a) (ii) is amended -

(a) by deleting "Water Authority of Western Australia established by the *Water Authority Act 1984*" and substituting the following -

" Water Corporation established by the *Water Corporation Act 1995* "; and

(b) by deleting "that Authority" and substituting the following -

" that Corporation ".

Page 102, line 15 - To delete the word "Resources" and substitute the words "and Rivers".

Page 102, line 16 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Clause 189

Page 103, line 20 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 103, line 21 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Clause 197

Page 114, line 4 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Clause 200

Page 116, line 7 - To delete the words "documents necessary" and substitute the words "necessary documents, and otherwise".

Page 116, line 13 - To insert after the words "that fact" the words ", and the relevant official is entitled to rely on that statement without making further enquiry".

Page 116, line 22 - To delete the word "*Resources*" and substitute "*and Rivers*".

Clause 204

Page 118, line 7 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 118, line 12 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 118, line 19 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Page 119, line 1 - To delete the word "*Resources*" and substitute the words "*and Rivers*".

Clause 205

Page 119, line 6 - To delete the word "*Services*" and substitute the word "*Regulation*".

New clause

Page 65, after line 5 - To insert the following new clause -

Section 45 repealed

129. Section 45 of the principal Act is repealed.

New clause

Page 125, after line 16 - To insert the following new clause -

Corporation, time to obtain certain licences

217. Where before the commencement day the Authority was doing any thing and after that day the Corporation in continuing to do that thing is required to hold a licence under the *Rights in Water and Irrigation Act 1914*, the Corporation is to be treated as if it were the holder of such a licence until the expiry of 120 days after the commencement day.

Hon SAM PIANTADOSI: There are 10 pages of amendments. Mr Foss is very lucky that members on this side of the Chamber are good natured and will not deal with each amendment separately. I am sure the Leader of the House would not be amused if we did that because he suggested a deadline for tonight's sitting. Knowing the kind of operator he is and the reputation he enjoyed when he was on the Stirling City Council, I do not

want to cross his path. The Opposition's action is a reflection of the cooperation which has occurred in this place today.

Amendments put and passed.

Bill, as amended, put and passed.

Title put and passed.

Report

Bills reported, with amendments, and the report adopted.

Third Reading

Bills read a third time, on motion by Hon Peter Foss (Minister for Water Resources), and returned to the Assembly with amendments.

ADJOURNMENT OF THE HOUSE - SPECIAL

On motion by Hon George Cash (Leader of the House), resolved -

That the House at its rising adjourn until 10.30 am on Thursday, 14 December.

House adjourned at 11.49 pm

QUESTIONS ON NOTICE

ROADS - DAMAGED BY CYCLONE BOBBY, ASSISTANCE

1379. Hon TOM STEPHENS to the Minister for Transport:

- (1) What initiatives has the State Government put in place to assist those shires that suffered severe unseasonal road damage during the passage of cyclone Bobby?
- (2) Is the Minister aware that damage to local rural roads in the Shire of Mt Magnet is estimated to be in excess of \$500 000?
- (3) Does the Minister recognise that the cost of reconstruction of many kilometres of road destroyed by the after effects of this cyclone represents a very real problem totally beyond the ability of local authorities to finance?
- (4) What progress has been made in having the damage considered under a package of national disaster relief?

Hon E.J. CHARLTON replied:

The question has been answered in reply to question without notice 162 on 2 May 1995.

BODDINGTON SHIRE COUNCIL - KYLE INQUIRY REPORT

4111. Hon I.D. MacLEAN to the Minister for Transport representing the Minister for Local Government:

- (1) What was the procedure and process that was followed upon the completion of the Boddington Shire Council report by Mr Peter Kyle, QC and its tabling in Parliament?
- (2) Did this process include seeking legal advice from the Crown Solicitor's Office or other legal advice?
- (3) As a result of the legal advice received, was the report changed in any way to make it suitable for tabling in Parliament?
- (4) If so, in what way and why?
- (5) Was the same process and procedure followed for the tabling of the Kyle inquiry report into Wanneroo?
- (6) If not, in what way did the process differ?

Hon E.J. CHARLTON replied:

The Minister for Local Government has provided the following response -

- (1) The original report on the Inquiry into the Shire of Boddington was presented to the Minister on 20 May 1994. Because the report contained recommendations for prosecution of various offences a copy of the report was forwarded to the Director of Public Prosecutions to consider action in respect of possible breaches of the Criminal Code. Advice was also sought from the Crown Solicitor's Office about the tabling of the report in Parliament. The Crown Solicitor's Office advised that the release of the report might prejudice the fair trial of persons prosecuted in respect of those offences listed in the report and recommended that publication of the report be postponed. Following further advice, references to recommendations relating to possible prosecutions were removed from the final report before it was tabled in Parliament on 29 September 1994.
- (2) Yes, from the Crown Solicitor's Office.
- (3) Yes.

- (4) References that might prejudice the fair trial of persons prosecuted in respect of any recommendations contained in the report were removed.
- (5) No.
- (6) In an effort to maximise any political advantage the report was tabled by the then Minister for Local Government without the same thorough legal assessment required by the current Minister for Local Government in respect of the Boddington report.

QUESTIONS WITHOUT NOTICE

BUILDING MANAGEMENT AUTHORITY - PRJ BUILDING MANAGEMENT SERVICES, ALLEGED IMPROPER CONDUCT COMPLAINT

1142. Hon A.J.G. MacTIERNAN to the Minister for Finance representing the Minister for Works:

- (1) Was the Building Management Authority's manager of property services, Ron Zatella, advised at least 12 months ago of an alleged attempt by a BMA official - whose name I have privately provided to the Minister - to extort a payment of \$5 000 from Patricia Ruby Joy, a person operating a private cleaning business called PRJ Building Management Services, which had cleaning contracts with the BMA?
- (2) What action was immediately taken by the BMA?
- (3) Did Patricia Ruby Joy telephone Tony DeBarro, principal policy officer at the Minister's office, on or about 14 November 1995 to complain about an attempt to extort a payment of \$5 000 from her?
- (4) In the same conversation, did Patricia Ruby Joy inform DeBarro that she had refused to make the payment and that, as a result, her cleaning business was being harassed by BMA officials in relation to her cleaning contracts, in particular her contract at the government offices at 189 Royal Street, East Perth?
- (5) On or about 24 November did DeBarro tell Maxwell and Joy by telephone that the Minister was too busy to see them about these corruption claims until some time after Christmas?

Hon MAX EVANS replied:

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

- (1)-(5) A meeting was held on 16 November 1995 with representatives of PRJ Building Management Services, the Minister's office and the Western Australian Building Management Authority, at which some allegations of improper conduct were made. However, no specific mention of the \$5 000 extortion attempt was ever made. At the meeting, and in a letter of confirmation dated 22 November 1995, PRJ Building Management Services was urged to submit any concerns in writing to enable the appropriate action to be initiated. In its letter of 22 November, PRJ Building Management Services indicated to me that they "decline to make any statement at this juncture as the matter is now in the hands of our solicitors, making it inappropriate to do so". I reiterate, if the member or PRJ Building Management Services has any evidence of illegal or improper conduct, it is imperative that it be investigated by the appropriate authority. Until this is done, I am unable to pursue the matter further. I seek leave to table the relevant correspondence.

Leave granted. [See paper No 1056.]

**LAND - SPECIAL LEASE No 3116-11590, SWAN LOCATION 12476,
BETWEEN CROWN AND BGC CONTRACTING**

1143. Hon N.D. GRIFFITHS to the Leader of the House:

With respect to special lease No 3116/11590 between the Crown and BGC Contracting Pty Ltd on Swan location 12476 -

- (1) For what period has the rent been paid?
- (2) How much rent has been paid and in each case on what date was the payment made?

Hon GEORGE CASH replied:

I thank the member for some notice of this question.

- (1) Rent raised -

10 July 1993 to 30 June 1994	\$9 013.44
1 July 1994 to 30 June 1995	\$9 239.40
1 July 1995 to 31 December 1995	\$4 619.70
Total	\$22 872.54
- (2) Amount paid, rent only -

12 July 1995	\$4 619.70
13 November 1995	\$18 227.73
7 December 1995	\$25.11
Total	\$22 872.54

**ROADS - "NATIONAL HIGHWAY CONDITION REPORT 1994", FEDERAL
FUNDED ROAD**

1144. Hon B.K. DONALDSON to the Minister for Transport:

- (1) Does the report tabled today titled "National Highway Condition Report 1994" reflect the condition of this State's national highway network?
- (2) Is it true that 2 406 kilometres of the total 4 650 km of road is identified as below standard?
- (3) Have other attributes apart from pavement condition been considered in determining standards?
- (4) Can the Minister advise how our national highway network compares with other States?
- (5) What level of additional funding is needed from the Commonwealth Government, whose responsibility it is for the network, to bring the national highway to an acceptable standard in Western Australia?
- (6) Can the Western Australian Government implement a strategy to highlight the desperate need for commonwealth funding to ensure that national highway standards are met?

Hon A.J.G. MacTiernan: Don't spend \$400m on the tunnel!

Hon E.J. CHARLTON replied:

I thank the member for some notice of this question.

- (1) The report tabled today was undertaken to identify the condition of the national highway, a federal government funded road. It is important that we acknowledge that funding factor. It is becoming apparent that in the short term the Commonwealth Government will not respond to the needs of state and local government roads to the extent that the community expects. It is a federal government responsibility to fund the national highways. The tabled report identifies the condition of the road. It has determined that the condition is far from an acceptable standard. The standard is set by the federal Department of Transport.

- (2) It is true that 2 406 km of the total length of 4 650 km of the road is below standard - that is, more than half. One could say that sections of any roadway would be below standard. No roadway will ever be completely up to standard, apart from sections recently upgraded. Everyone acknowledges that many parts of the national highway between South Australia and Midland, and Midland and the Northern Territory are not up to standard.
- (3) The other attributes taken into account were sealed pavement width, vulnerability to flooding, bridge and pavement adequacy, alignment, grades, intersections, environment, location and capacity. I do not know whether Hon Kim Chance has driven along Great Eastern Highway lately, but to demonstrate the kind of things which can be done at a low cost, following several accidents on that section of road near Wooroloo, I asked Main Roads Western Australia to come up with some innovations to highlight the area even though it has been said that the alignment was not impaired and that the condition of the road should not have caused the accidents. The accessories, involving reflectors down the middle of the road, are marvellous and that is a low cost initiative. All the other aspects have been taken into account in determining the condition of the road.
- (4) I cannot advise the member about how our national highway compares with the highway in other States other than to say that there has been a significant extension of the national highway system in other States while only Great Eastern and Great Northern Highways are affected in Western Australia. Far greater funding is being spent in the Eastern States as they have higher traffic counts than does Western Australia. While that process and formula are in place, we will continue to suffer.
- (5) With regard to the additional funding, in its submission to the Federal Government, Main Roads said that \$116m a year over the next five years would be needed just to meet the immediate requirements. There has been a small increase this year on the year before. A little over \$60m has been allocated for the national highway in Western Australia. There is a shortfall of \$40m to \$50m according to the Federal Government's standards.
- (6) With regard to a government strategy, we have the Fix Australia, Fix the Roads campaign which highlights inadequacies in the national highway system across Western Australia. That is now taking a broader approach across the nation.

The report determines that a tortuous route is taken through the town of Northam; there are narrow and undivided sections in the heavily trafficked metropolitan area; and it refers to the narrow flood prone section originally constructed in the 1960s as part of the original Beef Road scheme in the east Kimberley. Those are the main areas that require attention.

**LAND - SPECIAL LEASE No 3116-11590, SWAN LOCATION 12476,
BETWEEN CROWN AND BGC CONTRACTING**

1145. Hon N.D. GRIFFITHS to the Leader of the House:

With respect to special lease No 3116/11590 between the Crown and BGC Contracting Pty Ltd on Swan location 12476 -

- (1) Is the lessee using the land for any purpose other than "Concrete batching plant"?
- (2) Is such other purpose landfill for the disposal of rubbish?

Hon GEORGE CASH replied:

I thank the member for some notice of this question.

- (1) No.
- (2) Not applicable. However, to qualify that, I understand there is a sign on the property - and when I say property, it is said to be the mining lease, not the area of land to which Hon Nick Griffiths is referring - which says "Landfill, building rubble and dry inert fill only - open Monday to Friday 6.30 am to 3.30 pm". My advice is that the notice does not relate to any activity in respect of special lease No 3116/11590. However, there may be confusion if someone saw the lease and was not aware of the boundaries.

**MINERALS AND ENERGY, DEPARTMENT OF - MINING AND
EXPLORATION PROPOSALS LIST SENT TO ENVIRONMENTAL PROTECTION
AUTHORITY UNDER MEMORANDUM OF UNDERSTANDING**

1146. Hon J.A. SCOTT to the Minister for Mines:

Will the Minister provide a list of exploration and mining proposals which the Department of Minerals and Energy has forwarded to the Department of Environmental Protection under the memorandum of understanding between the two departments in respect of mining in environmentally sensitive locations?

Hon GEORGE CASH replied:

I thank the member for some notice of this question. The Department of Minerals and Energy provides the following list of notices of intent referred to the Environmental Protection Authority since the memorandum of understanding between the two departments was signed. The list covers referrals for all criteria under the memorandum of understanding inclusive of those for environmentally sensitive locations. The areas are -

Menzies Gold Project
Nifty-Heap Leach Pad Ext/Cells 9 and 10
Brilliant Tindalls, Brilliant Pit
Badgebup Addendum
Ora Banda Enterprise Expansion
Kookynie Gold Project
L'Haridon Inlet Shell Grit Screening Plant
Orebody 25, BHP - Expansion, Pits 1 and 3
Marvel Loch Undaunted Pit Cut Back
Carr Boyd Nickel Part A
Nimary Tailings Dam
Badgebup Tailings Dam
Hannan South Tailings Dam Raise
Mt Morgans Tailings Facility North of No 2
Kalgoorlie Nickel Smelter-Sulphuric Acid Plant
Fortnum No 2 Tailings Dam
Orebody 18, BHP - Mt Newman
Capel - RGC KSL Tanks, 1966 and 1999
Cape - RGC Biological Filter Drain
Grosmont-St Francis, Melanie Golden Web
Tuckabianna-Jasper Queen Dewatering
Marymia KISE Pit Tailings Disposal

HOPMAN CUP - RETENTION MEASURES

1147. Hon P.H. LOCKYER to the Minister for Sport and Recreation:

What steps are being taken either by the Government or through EventsCorp to keep the Hopman Cup in Western Australia for 1996?

Hon N.F. MOORE replied:

To the best of my knowledge, EventsCorp is working with the Hopman Cup organisers. It is suggested Victoria might be interested in the Hopman Cup - it is

interested in most other sporting events. The Government will make every effort to ensure that the Hopman Cup remains in Western Australia. I noticed today also that the Avon Descent is without a sponsor for next year. Again, we will seek to provide any assistance that we can to the organisers of that event.

Hon Kim Chance: Victoria might try to pinch that, too.

Hon N.F. MOORE: It would be pretty hard to pinch the Avon, but it might try. We would like to preserve the Avon Descent in Western Australia. We will make every endeavour to make sure that major events are retained in Western Australia. We have a very good reputation for, and record of, staging major events, particularly sporting events, in Western Australia. In the foreseeable future there will be several significant sporting events in this State, the most important of which is the world swimming championships in 1998.

**LAND - SPECIAL LEASE No 3116-11590, SWAN LOCATION 12476,
BETWEEN CROWN AND BGC CONTRACTING**

1148. Hon N.D. GRIFFITHS to the Minister for Lands:

With respect to special lease No 3116/11590 between the Crown and BGC Contracting Pty Ltd on Swan Location 12476 -

- (1) Has the Minister given his approval in writing for the land to be used for any purpose other than "Concrete batching plant"?
- (2) If so, when and for what purpose?
- (3) Will he table the relevant documents?
- (4) If not, why not?

Hon GEORGE CASH replied:

The lease document clearly indicates the purpose for which the land can be used. I believe that I tabled a copy of that lease document in the House some time ago.

Hon N.D. Griffiths: You did. Condition 1 gives the Minister capacity to give approval for another purpose. I am inquiring whether he has given any such approval.

Hon GEORGE CASH: Hon Nick Griffiths has confirmed my belief that I tabled the lease document. With respect to whether any approval has been given for another purpose, I will check my records and try to advise Hon Nick Griffiths tomorrow. I must say that I do not believe that that is so, but I hope that he will allow me to check my records just to be sure.

**SCHOOLS - WANNEROO HIGH
*Education Support Unit***

1149. Hon GRAHAM EDWARDS to the Minister for Education:

I refer to an issue that I raised in an adjournment debate last week, regarding an education support unit at Wanneroo High School.

- (1) Has the Minister been able to investigate that matter?
- (2) What has been the outcome of that investigation?

Hon N.F. MOORE replied:

I regret that I cannot respond to the member just yet, but I am looking into the matter and I will reply as quickly as I can.

**RACING AND BETTING LEGISLATION - COUNTRY RACING, FUNDING
INCREASE**

1150. Hon GRAHAM EDWARDS to the Minister for Racing and Gaming:

I refer to the racing and betting legislation. Has the Minister given a commitment

that under that legislation country racing will receive by 1 August next year, in two increments, a distribution of 36.3 per cent?

Hon MAX EVANS replied:

The legislation before the House will enable the Minister, by regulation, to change the distribution from the Western Australian Turf Club and the Western Australian Trotting Association to country racing and trotting respectively. In 1988 the then Minister, Hon Pam Beggs, introduced legislation covering this issue. Since then there has been an increase of 30 per cent in turnover profits and the various clubs have received their share of that increase. The Bill before the House will give the Minister the authority to increase the amount of money which will go to country racing in Western Australia from 28.09 per cent. It was suggested in the other House during the debate on the Bill that the percentage be increased to 36.3 as a means of solving the problem faced by country race clubs. It was stated that the amount for distribution would then increase by \$1.9m, but I have not checked that.

I have given an undertaking to Hon Graham Edwards that, with the regulation in place, the WATC will sit down with my officers to negotiate the process that will take place. If the percentage had been increased from 28.09 to 36.3 per cent in the other place, we would have been locked into a situation where the WATC might have been robbed of its finances for this year. The racing year is from 1 August to 31 July and the stake money for the country clubs has already been calculated to 31 July 1996. I have indicated that well before 1 August next year I will have struck a deal with the WATC to increase the percentage to above 28.09 in two increments. It may not be possible to reach 36.3 per cent in the first year because of the impact on the WATC's finances. I have told the WATC that changes will be made to increase the funding for country racing. A statement was made by the chairman of the WATC that the minimum stake money in the country should be increased to \$5 000, but I do not know whether that is viable. During the debate on the legislation consideration will be given to increasing the allocation from the WATC to country racing. However, we must make certain that it does not backfire on country clubs. After all, they may pick up the cost of the stewards and others involved which amounts to approximately \$1.5m and if their revenue is not increased they will operate at a loss. I want to make sure that does not happen. The legislation will provide the process to increase stake money and that will improve the situation for owners, trainers and jockeys involved in country racing.

**CONSERVATION AND LAND MANAGEMENT, DEPARTMENT OF -
WESTERN AUSTRALIAN BIRDS AND ANIMALS SLIDE LIBRARY, PURCHASE**

1151. Hon J.A. SCOTT to the Minister for the Environment:

Some notice of this question has been given.

- (1) Has the Department of Conservation and Land Management bought part or all of the slide library of Western Australian birds and animals which was put together over more than a decade by eminent photographer Mr Bert Wells?
- (2) If yes, did CALM buy the whole library?
- (3) Where did CALM make the purchase?
- (4) Why did CALM make the purchase?
- (5) How much did CALM pay for the library?
- (6) How many slides did CALM buy?
- (7) Will CALM make this unique resource available commercially on the open market in the same way as did Mr Wells?
- (8) If not, why not?

Hon PETER FOSS replied:

Unfortunately I have absolutely no record of having received that question and I ask that it be put on notice.

O'CONNOR, RAY - CHARGES AND CONVICTION CASE

Wicks, T.; Fenbury, Mr, Employment

1152. Hon MARK NEVILL to the Minister representing the Attorney General:

Further to question without notice 1106 on 6 December 1995 -

- (1) Was Mr T. Wicks asked to provide information in order to answer question without notice 1106?
- (2) If not, why not?
- (3) Was Mr Fenbury asked to provide information in order to answer question without notice 1106?
- (4) If not, why not?
- (5) Do Mr T. Wicks and Mr Fenbury work for the Western Australian Government in any capacity?
- (6) If yes, in what capacity?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

(1)-(4) No, because the Attorney General did not see it as appropriate.

(5)-(6) Mr T. Wicks is not in the employ of the Western Australian Government and Mr Fenbury is a District Court judge.

BUILDING MANAGEMENT AUTHORITY - ASBESTOS WASTE DISPOSAL SITES, TIPPING COSTS; BROOKES MAINTENANCE SERVICE CHARGES

1153. Hon A.J.G. MacTIERNAN to the Minister representing the Minister for Works:

The Building Management Authority's asbestos cement product work practice sheet 3 lists both Tamala Park, Mindarie and Atlas Group Pty Ltd, Yirrigan as approved landfill sites for the disposal of asbestos waste. In view of the fact that Tamala Park charges only \$21 per tonne for the disposal of asbestos waste, why did the BMA accept charges of \$123 per tonne claimed by Brookes Maintenance Service for dumping at the Atlas landfill site?

Hon MAX EVANS replied:

I thank the member for some notice of this question. I am advised that the cleanup of the site was treated as an emergency. The site had to be quickly made safe and secure to prevent any potential asbestos contamination. There was also a clear direction from the Education Department to ensure that the school was operational with the minimum of delay. The Western Australian Building Management Authority did not specify which disposal site should be used. The job was undertaken on a "do and charge" basis. The choice of site was made by the cartage contractor, Opposition Plant Hire Pty Ltd. The cartage contractor used the Malaga site as it was the closest to the scene of the fire. Travel to a tipping site further from the fire would have delayed the cleanup and further delayed the school returning to normal operations. Prior to accepting the charges from Brookes Maintenance for tipping costs, they were confirmed by the Western Australian Building Management Authority with the Atlas tip.

HEALTH DEPARTMENT - PEEL HEALTH SERVICES

Budget; Expenditure

1154. Hon TOM HELM to the Minister representing the Minister for Health:

What is the variance between the apportionment of the Peel Health Services

1995-96 budget and the actual expenditure for the period 1 July to 31 October 1995?

Hon PETER FOSS replied:

I thank the member for some notice of this question. The budget for Peel Health Services for 1995-96 is \$11 411 130 and expenditure for the period 1 July to 31 October 1995 is \$3 175 505.

HOSPITALS - MANDURAH DEVELOPMENT
Benchmark Cost for Public Hospital

1155. Hon TOM HELM to the Minister representing the Minister for Health:

It is claimed in the "Hospital News" of December 1995 that the operating cost of the new privatised Mandurah Hospital will be considerably lower than the government public hospital based on the benchmark cost established by the Government.

- (1) Will the Minister table the document which sets out the benchmark cost for the operation of the public hospital?
- (2) If not, why not?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

- (1)-(2) No, it is inappropriate to release full details at this stage. However, the following information should be sufficient for the member to appreciate how this benchmark was achieved. The total benchmark cost is based on -
- (a) The current price paid to public hospitals in metropolitan non-teaching hospitals currently based on \$1 901 per weighted diagnosis related group separation.
 - (b) The estimated capital cost to government of building a government funded public hospital of the same scale in Mandurah.
 - (c) A zero based budget estimate for accident and emergency services.

PRISONS - SECTION 9 PRISONS ACT INQUIRY
Director of Public Prosecutions, Overseer

1156. Hon MARK NEVILL to the Minister representing the Attorney General:

Does the Minister now have an answer to the question that I first asked him on 17 October? The question was -

The West Australian dated 13 September 1995 records that the Director of Public Prosecutions, Mr J. McKechnie, was overseeing the section 9 Prisons Act inquiry into an alleged assault by 10 prison officers.

- (1) Is this a fact?
- (2) If not, who was responsible for overseeing the inquiry?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

Yes. A response to question on notice 3958 to the Minister for the Environment representing the Minister assisting the Minister for Justice is due to be tabled tomorrow.

CONSERVATION AND LAND MANAGEMENT, DEPARTMENT OF -
NATURE CONSERVATION STRATEGY, RELEASE DATE

1157. Hon TOM HELM to the Minister for the Environment:

In February 1992 the nature conservation strategy for Western Australia was released for public comment. Submissions on this strategy were accepted until

September 1992. In November 1994, over two years later, members of the other House were told that the final draft of the strategy was still under consideration. They were also informed that the document would be released in early 1995. When can the people of Western Australia expect to see this document?

Hon PETER FOSS replied:

I thank the member for some notice of this question. I am unable to give a commitment as to when the nature conservation strategy will be released. The reason for this is that in court action taken against the Government by non-government conservation organisations on some aspects of forest management, the question has arisen as to the legal duties created by policy documents of the Department of Conservation and Land Management such as the proposed nature conservation strategy. This litigation has not yet been finally determined by the courts.

**WAPPEX PTY LTD - PIG INDUSTRY COMPENSATION FUND,
PAYMENTS**

1158. Hon KIM CHANCE to the Minister representing the Minister for Primary Industry:

- (1) What payments have been authorised by the Minister and his predecessor to WAPPEX Pty Ltd from the pig industry compensation fund?
- (2) Was the most recent payment of \$150 000 made conditional on an independent audit of the working account through which the funds were drawn?
- (3) Was the payment made on approval by the Minister prior to the audit of the 1994-95 accounts?
- (4) If it was made, why was the payment made prior to the conditions being met?

Hon E.J. CHARLTON replied:

I thank the member for some notice of this question. The Minister for Primary Industry has provided the following response -

- (1) The former Minister for Agriculture, Hon Ernie Bridge, approved funding to WAPPEX of \$100 000 in December 1992. I approved \$100 000 in February 1994 and \$150 000 in September 1995.
- (2)-(4) I approved the release of \$150 000 on condition that an independent audit be carried out.

**HEALTH DEPARTMENT - HARVEY-YARLOOP HEALTH SERVICE
*Contract for Administrative Services***

1159. Hon KIM CHANCE to the Minister representing the Minister for Health:

- (1) Will the Minister table the contract that exists between the Harvey-Yarloop Health Service and the contractor who provides the administrative services for that organisation?
- (2) If the contract cannot be tabled for reasons of commercial confidentiality, will the Minister provide a copy of the principles of the agreement?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

- (1) Yes. The contract is being made available by the Harvey-Yarloop Health Service and the Minister for Health will forward a copy to the member.
 - (2) Not applicable.
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