



WESTERN AUSTRALIA

# **Parliamentary Debates**

## **(HANSARD)**

THIRTY-FIFTH PARLIAMENT  
FIRST SESSION  
1997

LEGISLATIVE COUNCIL

Wednesday, 18 June 1997

## Legislative Council

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**THE PRESIDENT** (Hon George Cash) took the Chair at 4.00 pm, and read prayers.

### LIMITATION AMENDMENT BILL

*Assent*

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

### TELEVISION FILE FOOTAGE - LEGISLATIVE COUNCIL CHAMBER

**THE PRESIDENT:** I have received a facsimile from Channel 7 on behalf of all channels seeking permission to record new file footage of members. They have requested that they be permitted to place four cameras in the Chamber - two upstairs and two downstairs - on Tuesday, 24 June. It was the practice of the previous President to advise members. It is my intention to advise Channel 7 that the television stations have that permission unless a member approaches me saying that he or she is not satisfied with that situation. I will leave that to members to consider.

### STATEMENT - ATTORNEY GENERAL

*BAAC Pty Ltd v Stateships*

**HON PETER FOSS** (East Metropolitan - Attorney General) [4.04 pm] - by leave: In May 1995 Stateships, which then operated a fleet of vessels servicing Western Australian ports and South East Asia, entered into a stevedoring contract with BAAC Pty Ltd whereby BAAC became the exclusive stevedore for Stateships' operations within the Port of Fremantle. Soon after the announcement that BAAC was to become the exclusive stevedore, significant industrial disputation commenced at the port and spread nationwide.

The State Government, after considering all the implications of Stateships' contractual obligations and the viability of continuing the shipping service, decided on 2 June 1995 that Stateships would be closed as soon as possible and cease its coastal shipping operations. That service ceased soon thereafter.

On 15 February 1996, BAAC, which did not receive any moneys from Stateships, sued it to recover moneys it had expended pursuant to the stevedoring contract and also for lost profits that it anticipated it would have made under the contract.

The action by BAAC against Stateships was listed for trial before the Supreme Court to commence on Wednesday, 18 June 1997. Stateships received legal advice that it was likely to be liable to BAAC for damages and interest totalling in excess of \$1m. Yesterday, Stateships agreed to pay damages, interest and legal costs to BAAC of \$1m in full settlement of all outstanding claims against it by BAAC. This settlement was based upon and consistent with legal advice received from the Crown Solicitor's Office. I now seek leave to table a summary of that advice.

Leave granted. [See paper No 525.]

### PETITION - EUTHANASIA REFERENDUM

The following petition bearing the signatures of 65 persons was presented by Hon Norm Kelly -

To the Honourable President and Members of the Legislative Council of the Parliament of Western Australia in Parliament assembled.

We the undersigned residents of Western Australia respectfully draw the attention of the House to the issue of legalising voluntary euthanasia for the terminally ill.

Your petitioners pray that the House will pass a Bill allowing for a Statewide Referendum on the matter of legalising strictly and properly regulated voluntary euthanasia for the terminally ill.

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

[See paper No 526.]

**STANDING COMMITTEE ON PUBLIC ADMINISTRATION - REPORT**

**HON KIM CHANCE** (Agricultural) [4.09 pm]: I present the first report of the Standing Committee on Public Administration, which is a review of operations for the fourth session of the thirty-fourth Parliament for the Standing Committee on Government Agencies. Additionally, I table the following discussion papers: "An introduction to the Standing Committee on Public Administration"; "An introduction to out-sourcing - what are the issues involved?"; and "Out-sourcing to the private sector - the United States Office of Federal Contract Compliance Programs". I move -

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

Question put and passed.

[See papers Nos 527 to 530.]

**MOTION - ORDER OF BUSINESS**

**HON J.A. SCOTT** (South Metropolitan) [4.13 pm] - without notice: I move -

That motions 2 and 3 for today be made motions 1 and 2 for Thursday, 19 June 1997.

The PRESIDENT: That is a procedural motion and must be determined forthwith without debate.

Question put and a division taken with the following result -

**Ayes (15)**

Hon Kim Chance  
Hon J.A. Cowdell  
Hon Cheryl Davenport  
Hon N.D. Griffiths  
Hon John Halden

Hon Helen Hodgson  
Hon Norm Kelly  
Hon Mark Nevill  
Hon Ljiljana Ravlich  
Hon J.A. Scott

Hon Christine Sharp  
Hon Tom Stephens  
Hon Ken Travers  
Hon Giz Watson  
Hon Bob Thomas (*Teller*)

**Noes (13)**

Hon M.J. Criddle  
Hon Max Evans  
Hon Peter Foss  
Hon Ray Halligan  
Hon Barry House

Hon N.F. Moore  
Hon M.D. Nixon  
Hon Simon O'Brien  
Hon B.M. Scott

Hon Greg Smith  
Hon W.N. Stretch  
Hon Derrick Tomlinson  
Hon Muriel Patterson (*Teller*)

**Pairs**

Hon E.R.J. Dermer  
Hon Tom Helm

Hon E.J. Charlton  
Hon B.K. Donaldson

Question thus passed.

**MOTION - SPEED LIMITS***Trial Increase in Country and Remote Areas*

**HON M.J. CRIDDLE** (Agricultural) [4.18 pm]: I move -

That -

- (1) This House supports a trial to increase the speed limit to a maximum of 130 kmh on specific roads in the country and remote areas of the State of Western Australia.
- (2) The trial should be conducted over a 12 month period, be fully monitored by the Road Safety Council of Western Australia, and appropriate data to be compiled both prior to and during the trial.

As someone who has driven in country areas over a long period I am in favour of a trial to ascertain whether any impediment exists to raising the maximum speed limit to 130 kilometres per hour in some areas of Western Australia where there are large distances between major towns and long straight roads. People who travel north of Perth will be aware that a speed limit of 130 kmh would be applicable on certain stretches of the North West Coastal Highway between Geraldton and Perth. Motorists do not have to travel at that speed. People seem to be under the impression

immediately one suggests an increase in the speed limit that everybody will travel at 135 kmh. I see no reason not to police the speed limit of 130 kmph or that heavily laden trucks cannot be kept down to a reasonable speed. Cars which are not up to that speed, and drivers who do not feel safe travelling at that speed, can travel at their usual speed.

On several sections of the North West Coastal Highway between Broome and Port Hedland, both south and north of Minilya River, people could travel at a speed greater than the speed limit. The speed limit could be on a graduated scale. It is not necessary to stipulate that the speed limit on the road between Carnarvon and Minilya is 130 kilometres per hour. On certain sections of that road the speed limit could be decreased. In a section just south of Minilya River there is a lot of green feed on which cattle, kangaroos and emus graze and it would not be in the interests of drivers to travel at high speed on that section of the road.

The problem which confronts me when I drive on country roads is sheer boredom. One gets frustrated and, as a result, one's concentration lapses. These days we have radios in our vehicles and if there is a football or cricket match on it helps drivers to concentrate and takes their mind off the boredom. People can travel at slower speeds under these circumstances.

I tend to lose concentration when I am driving at about 110 kmh. A few weeks ago I drove from Exmouth and for the first hour I found it very difficult to adhere to the speed limit. I admit that eventually I wound up the cruise control and was travelling at about 130 kmh and I felt much safer. An experienced driver should feel comfortable at the speed at which he is driving.

Members are aware that today the modern car has better lights, mirrors, indicators and tyres than in past years. The tyres are certainly made for vehicles to travel at high speeds. The tyres on the vehicles that travel on the autobahns in Germany and England, where the speed limits are greater than they are in this State, are similar to the tyres which are used in this country. In fact, in Germany the speed limits are open-ended.

In recent years seat belts have come into vogue and we are constantly reminded by the police that the three things which cause injury from accidents are not wearing a seat belt, alcohol and speed. Recently I read in an article that 36 per cent of accidents are caused by speed. I often think that when one comes across the scene of an accident one looks around and says that speed was the cause the accident. However, the driver could have lost concentration or was changing the radio station or the audio tape. An accident can be caused by a short lapse in concentration.

An issue that should be considered is high powered vehicles which can be a danger on the roads. Generally the first vehicle a young fellow buys is a V8 utility and he travels at high speeds without any experience of driving at that speed.

In recent years the road conditions have improved out of sight, although some areas of this State are in need of better roads. However, some good roads are wide open and there is plenty of vision for drivers to easily see straying animals. People should be able to travel at high speeds if it is safe to do so. Weather conditions are an important factor. In wet weather the good drivers will slow down.

Another improvement to vehicles is the recent innovation of air bags. On impact the air bag automatically inflates and people do not suffer the injuries that used to occur when the people in the vehicle were forced onto the front panel. Air bags have been installed in the modern car to assist people's safety.

The road safety council's initiative to train drivers is excellent. Last year I was in Stockholm where to obtain a driver's licence one must undergo a training program. It is an innovative way to train youngsters. A similar program could be implemented for students in their last year of secondary education. They would be taught how to drive a car properly. I know driving in the country is different. I learnt how to drive when I was eight or nine years old. I am aware that I was breaking the law when I went to get my truck driver's licence. I actually drove a fully laden truck to the police station. The system is different now and people should undertake a training program before they are eligible to obtain a driver's licence.

Frustration and concentration are two issues which are vital in raising the speed limits on good roads. Some interesting figures came to light from a question which was recently asked by Hon Murray Nixon about the introduction of speed limits in Western Australia. The answer was that open road speed limits were introduced into this State in 1967. For the two years immediately prior to the introduction of open road speed limits the number of road fatalities were 253 and 256. The number of non-fatal accidents in 1966 was 30 271 and in 1967, 33 699. The estimated vehicle kilometres travelled in 1966 were 4.77b and in 1967, 5.2b. After the introduction of seat belts the number of road fatalities increased to 320 in 1968 and in 1967 there were 311. Members can form their own opinion about why that happened. The answer to Hon Murray Nixon's question also indicates that the number of non-fatal accidents in 1968 was 36 570 and in 1969 there was a change to the reporting mechanism and the figures are not available. I advise members that in 1968 the estimated vehicle kilometres travelled increased to 5.63b and in 1969 it was 6.49b.

Speed limits were first introduced in Great Britain in 1973 by Britain's then Minister for Transport, Barbara Castle. She engineered the 70 mph speed limit. In fact, she did not have a driver's licence. One thing she forgot was that fast driving was not dangerous driving; fast driving is dangerous only under the wrong conditions. The same argument can be applied to enforced slow driving; for example, drivers being compelled to drive at 110 kmh for vast distances in Western Australian desert conditions.

Australia followed the British example in 1972 and a 110 kmh speed limit was enacted in the Western Australian Road Traffic Code. In 1973 each state in the United States of America set its own speed limits. In California it was decreed that 70 mph be the speed limit, but in neighbouring Nevada the speed limit is unlimited. I reiterate that the speed limit on the autobahns in Germany is unlimited. Members will recall that in late 1973 the Arab-Israeli war broke out and because of the oil embargo a speed limit in Germany was imposed at 130 kmh and in America it was reduced to 55 mph. However, in January 1994 this limit became permanent despite the fuel crisis. Any State in the United States that failed to keep to that 55 miles per hour limit lost its highway funding. Draconian measures were put in place. In April 1987 Congress relented slightly and raised the speed limit to 65 mph on US interstate roads while conforming to the same standards on other roads. That is the speed limit with which we should make comparisons.

Between 1973 and 1974 the United States highway death rate fell. However, it had been declining for seven years prior to that. It continued to decline for two years after 1994 and fell steadily through the 1980s despite a marked rise in highway speeds after fuel became plentiful.

In 1980 under the 55 mph limit the fatality rate stood at 3.5 deaths per 100 million vehicle miles and in 1992 it fell to an all time low of 1.8 deaths, which is dramatic according to the National Highway Traffic Safety Administration. The limit, which increased by more than 16 mph, was in its fifth full year.

The National Highway Traffic Safety Administration reported in 1990 that the fatality rate in 1987 was 1.5 deaths on rural interstate roads and 0.90 on urban interstate roads, with the former making up 5 per cent of the total fatalities. Those figures demonstrate that over a long period, although the speed limit in the US rose, the rate of accidents fell. They are dramatic figures. The same principle applied in Germany.

Rural interstate fatalities over the whole of the US increased by 19 per cent between 1982 and 1992. However, the number of miles driven also increased dramatically by 44 per cent. This meant that the fatality rate, which fell from 1.5 to 1.2, was definitely declining. If the 44 per cent increase in the driving distance is taken into account the fall in the number of deaths on the US interstate highways - where the speed limit was raised - was proportionately even lower.

As I pointed out earlier, many people feel an element of joy when driving a car at a reasonable speed. Driving at a higher speed requires increased concentration and greater skill. It also shortens the time taken to travel between point A and point B.

Hon Ljiljanna Ravlich: It kills a lot of people on the way.

Hon M.J. CRIDDLE: I have just demonstrated that that assertion is not true. In 1980 the rate of deaths per 100 million motor vehicle miles was 1.51 at 55 mph and 1.6 on the German autobahns with an unlimited speed limit. It fell in 1981 at 55 mph to 1.57. The death rate decreased in 1987 to 1.11 at 65 mph. On the autobahns with the open speed limit it fell to 1.01 and it fell dramatically in 1994 to 0.85 at 65 mph and 0.90 on the unlimited autobahn. From 1981 to 1994 the US road death rate fell from 1.51 to 0.85 despite the speed limit increasing from 55 mph to 65 mph. The German road death rate fell from 1.6 in 1981 to 0.90 in 1994 on the unlimited autobahns. We could argue that fewer people turn on to the autobahns and kangaroos are not a threat.

Hon Kim Chance: There was a death in Germany attributed to a vehicle hitting a kangaroo. It was an escapee from a zoo.

The PRESIDENT: Order!

Hon M.J. CRIDDLE: Members will be well and truly aware that in the north problems exist with vermin, cattle and sheep on the highways.

A fair amount of criticism of this proposed trial has come from organisations such as the Royal Automobile Club of WA and the Police Service. I pointed out earlier that the police claim that 36 per cent of deaths on our roads are attributable directly to speed.

In the second part of the motion I refer to trials being conducted over a 12 month period, being fully monitored by the Road Safety Council of Western Australia, and appropriate data being compiled prior to and during the trial.

Trials should be run in specific areas from, say, Port Hedland to Broome or south of the Minilya River area towards Carnarvon to demonstrate that the death rate or crash rates in those areas may not be very high.

I acknowledge that a lot of data indicates that the death rate increases in certain areas. A trial must be specific to our driving conditions. Although I recognise that problem in other country areas, Western Australia is not like many other places. Here, fatigue and loss of concentration are more likely to be problems. Other countries do not face the distances and the consequent boredom. Those issues must be taken into consideration.

I have given some idea of the advantages of travelling today. Vehicles are better than ever before and have many safety features. As the Minister for Transport enjoys more funding for roads throughout the country and remote areas their condition will improve, making them better roads to drive on. Many people drive on country roads for long periods. A trial will be well and truly worthwhile and will be beneficial to people such as I who must travel over long distances.

**HON GREG SMITH** (Mining and Pastoral) [4.40 pm]: A trial such as that suggested in this motion would be an important step for the Government to take, perhaps not economically, but it would indicate to the people of Western Australia that the Government had some trust in them. Over the years Governments have spent a lot of time enforcing restrictions in the community. This motion is our chance to give the community responsibility for its own safety. Many laws are made on the assumption that most people are either stupid or irresponsible. That being the case, those laws drag everyone down to the lowest common denominator. As we move into the twenty-first century many other aspects of our daily life have demanded greater speed. In the telecommunications area wires are being replaced by optic fibre because milliseconds can be saved in the transmission of information. When my electorate officer received a computer she complained that it was too slow because it was only a 386 and not a 686. Fractions of seconds are involved.

In other areas the Government has gone to great lengths to increase efficiency, quite rightly so, but it is ridiculous that with modern technology in cars, and the better construction of roads so that the camber on corners does not turn over cars - which used to happen on some old roads - we are still compelled to travel at a speed that was considered safe in 1967. From memory, in 1967 the HR Holden was released, and was considered revolutionary because it no longer had a king pin front end but a ball joint front end. I do not think they had disk brake front ends, and I am not sure if steel belt radial tyres were available at the time. Also in 1967 I think the Mini Minor won at Bathurst - just to give members an idea of how far technology has progressed. If one were to drive a Mini Minor down the freeway at 100 kmh these days one would think one was travelling pretty fast!

Hon Ljiljanna Ravlich: I did not think they were still making them.

Hon GREG SMITH: The Mini Cooper S was a fine car; it won at Bathurst -

The PRESIDENT: Order! I urge Hon Greg Smith to address the Chair.

Hon GREG SMITH: Last weekend I drove to York and back. Along Lakes Road I was travelling at 110 kmh, and driving at the limit of my ability, and I assure members that I felt far more at risk than I have ever felt doing 130 kmh up the Great Northern Highway, north of Wubin.

Hon Ljiljanna Ravlich: You should not admit that you break the law.

Hon GREG SMITH: It is an accepted practice for people to break the law on the roads. People talk about it openly. It is not as though it is hidden in the closet.

Hon Bob Thomas: We should drive to the road conditions.

Hon GREG SMITH: We have a responsibility to the people of Western Australia, especially to those in our electorates, to make it as easy as possible to live within the laws of the land. Thousands of honest people are being booked for breaking the law every year. During the Estimates Committee hearings Hon Peter Foss said that disregard for speed, as much as anything, was an indication of attitude and that if people were not prepared to obey the law in that area they would disregard it in others. I do not agree with that statement -

Hon N.D. Griffiths: He was right.

Hon Ljiljanna Ravlich: If we fix up the speed limits we will fix up home burglaries!

Hon GREG SMITH: No, but it would be far better for the police to chase people who are committing crimes upon a person or property than to drive up and down the roads in the middle of nowhere looking for honest people who pay taxes and go about their daily business -

Hon Ken Travers: What about smoking dope!

The PRESIDENT: Order! If Hon Greg Smith addresses the Chair, there will be no need for interjections and we will be able to hear what he is saying.

Hon GREG SMITH: I apologise, Mr President.

We should try to change the law so that people do not have to show disrespect for the law. During the Estimates Committee hearing I asked the Commissioner of Police whether the police would be likely to support such a speed trial. His answer was that because the speed limits were vigilantly enforced in the metropolitan area it would fly in the face of trying to slow people down and save lives if the speed limit were increased in other areas. I suggested a trial, because it was only an assumption that an increase in speed would cause an increase in accidents. It is not a fact, although I was told that Monash University had proved otherwise. I would like to know where in Victoria anyone could find a stretch of road 400 km long with nothing but a roadhouse.

An acquaintance of mine, Barry Clements, runs the Fortescue River Roadhouse. He has been an ambulance officer in the area for 17 years and has attended numerous accidents. One day I asked him what he thought was the main cause of accidents. Without blinking an eyelid he said that the speed limit was too low and people fell asleep at the wheel. The Fortescue River Roadhouse is about 120 km west of Karratha - the coastline runs east-west in the area - and about 300 km from Carnarvon. He is responsible for a fairly long stretch of road through that remote area - the type of area referred to in the motion. His belief is that people drive modern motor cars with the cruise control set at 110 kmh, and then nod off. I find it very hard to believe that a person such as Barry Clements, an ambulance officer with responsibility for attending road accidents and the victims of those accidents - cutting them out of wrecks, and so on - would say something like that if he thought that increased speed would lead to an increase in accidents. When such a person tells us something like that, we should listen. This man has been working as an ambulance officer for a very long time and attending accidents on roads north of Nanutarra, up to Karratha. It would be in his interests to attempt to stop accidents. I imagine that it would be horrific to attend such scenes. Certainly, one would receive no pleasure from it.

I have supported a trial to increase the speed limit for some time, in different forums. I have always made the mistake of overestimating many people's level of comprehension. To give some idea of what I mean, after the Estimates Committee when members questioned Mr Falconer, someone rang a radio station and said he had travelled from Perth to Bunbury the previous weekend and nowhere had he needed to drive at more than 110 kmh. We are not talking about roads in those areas. The proposal - it is only for a trial - relates to roads in the Mining and Pastoral Region, although there may be some in the Agricultural Region which would justify a higher speed limit. I have a map in my hand that illustrates my point. The remote areas of Western Australia are a long way from anywhere. On average, there is a town every 400 km once one leaves the wheatbelt, and a roadhouse approximately every 200 km. The motion refers to the North West Coastal Highway north of the Murchison River, the Great Northern Highway past the wheat growing areas, and the Great Eastern Highway between Southern Cross and Kambalda. There may be others such as those between Leonora and the Eyre Highway across the Nullarbor. It would not be open slather, because speed restrictions would still apply in some places. I imagine restrictions would apply 5 km from the approach side of roadhouses, main intersections and towns. There would also be speed restriction signs, as is the case in areas with speed limits of 110 kmh, when approaching bends, bridges or rough surfaces where people would be required to slow down. I would have no problem if police sat there every day and booked people who exceeded the recommended speed limit in those areas.

I have researched this proposal a little, because I would not like to be party to a proposition that caused more road fatalities. I do not think anyone in this Chamber would want to introduce legislation that contributed to increased road fatalities. I looked at the statistics obtained by Hon Murray Nixon for Western Australia before and after the introduction of speed limits. These figures relate to periods when people were driving HR Holdens on roads not designed using current modern engineering. In 1966-67 there was one fatal accident for every 19 582 000 km travelled. In 1968-69, after the 110 kmh speed limit was introduced, there was a fatality for every 19 130 000 km travelled. Therefore, following the introduction of the 110 kmh speed limit, the ratio of road fatalities to kilometres travelled increased by 450 000 km.

Hon Murray Criddle has also presented those facts from America and the autobahns in Germany, and there is conclusive evidence that the number of fatal road accidents decreased when the speed limit was increased. In 1967-68, following the introduction of the 110 kmh speed limit, HD Holdens were being driven and the roads were not constructed to the same engineering standards that they are today. Everything else has improved since that time, but the speed limit has remained the same.

Hon Kim Chance: There were no drum brakes, cross-flow tyres and so on.

Hon GREG SMITH: There was no rack and pinion steering, no MacPherson strut suspension, no ABS brakes -

Hon Kim Chance: And no 0.05 legislation.

Hon GREG SMITH: All we are asking for is a trial. Another point that should be taken into account is that people such as sales representatives, trades people servicing the mining industry on breakdowns, and stock agents travel through these areas. These people rely on their driver's licence for their livelihood. The current demerit system does not discriminate between a driver travelling 100 000 km a year or one driving 10 000 km a year. Someone who is driving on these roads may be booked for travelling at 121 kmh - no-one should say they will not because I have been booked for driving at that speed - through the middle of nowhere in the middle of the day in a brand new car. That person could lose a demerit point which could cost him his job. Most honest people do not intentionally break the law. If thousands of people are breaking the law, surely we owe it to them to make it possible for them to live within the law.

At the moment it is assumed that an increase in the speed limit will increase the number of accidents, but it is well known that fatigue is responsible for accidents on long journeys, especially on straight roads that provide little mental stimulation. I commend this motion to the House.

**HON TOM STEPHENS** (Mining and Pastoral - Leader of the Opposition) [4.57 pm]: The contributions by Hon Murray Criddle and Hon Greg Smith have been listened to with great interest I am sure by members on both sides of the House. The motion, which was put before the House last week, was taken at the beginning of the week to the Labor Party Caucus, and members had the opportunity to review the motion and determine the response of the Parliamentary Labor Party to the proposal by Hon Murray Criddle and Hon Greg Smith. The following motion was put to Caucus and carried by it. It represents the response of the Opposition: The Opposition does not support the trial of a 20 kilometre per hour increase in the speed limit on Western Australian country roads, but calls upon the Government to direct the Road Safety Council to provide a comprehensive report on the likely outcomes of any increase in speed limits in Western Australia. The Opposition puts that position to the House. We have had the benefit of the comments of the Commissioner of Police recently at the Estimates Committee. Clearly, the Police Department, which is a participant in the Road Safety Council, has real and understandable concerns about speed.

Hon Kim Chance: Even speeding in vehicles!

Hon TOM STEPHENS: Indeed, speeding people in vehicles. For all such reasons the Police Service is opposed to the proposition that the members in favour of this motion have put before the House.

[Debate adjourned, pursuant to Standing Order No 164.]

#### [Questions without notice taken.]

#### **RULING - PRESIDENT**

##### *Appropriation (Consolidated Fund) Bill (No 1)*

**THE PRESIDENT** (Hon George Cash): I have now had the opportunity to consider the Appropriation (Consolidated Fund) Bill (No 1). As I stated last Thursday when the Bill was introduced, I felt bound to consider the Bill in the context of the ruling my predecessor gave in 1994.

For the benefit of newly elected members I shall explain the significance of the subject matter of that ruling and how I intend to approach similar issues. Section 46 of the Constitutions Acts Amendment Act 1899 governs the legislative powers of the Council and Assembly in relation to Bills that impose taxes or appropriate public funds for the purposes of the State. The 1994 ruling emphasised that although the interpretation and enforceability of section 46 is not a matter for judicial determination - that is, its provisions are non-justiciable by operation of subsection (9), which preserves the validity of an Act passed in contravention of section 46 - nonetheless -

To describe s 46 as "procedural" masks the substantive law that it contains, particularly the loss of powers that this House would otherwise possess under s 2 of the *Constitution Act* and s 1 of the *Parliamentary Privileges Act 1891*.

Or, as the High Court put it in 1911 in relation to similar provisions in the Commonwealth Constitution -

Whatever obligations are imposed by these sections are directed to the Houses of Parliament whose conduct of their internal affairs is not subject to review by a court of law.

(*Osborne v Commonwealth*, (1911) 12 CLR 321, 336 per Griffiths CJ).

Relevantly -

Section 46 leaves unaffected the Council's power to reject any bill but deprives it of the power to originate money bills and restrict its ability to amend some types of money bills.



The Bills the former President was referring to as outside the Council's power to amend were those appropriating money for the ordinary annual services of the Government. The President continued -

For its part, the Assembly, through subsections (6) and (7), agrees not to impose a tax or appropriate money for the ordinary annual services of the Government as part of bills that do other things as well.

Two things follow from what has been said. First, appropriations that are for the ordinary annual services of the Government must be contained in a Bill that does that, and nothing else. Although the Council may request the Assembly to amend such a Bill, it cannot make the amendment itself.

Second, a Bill making an appropriation that is not for the ordinary annual services, while it cannot originate in the Council, may nevertheless be amended during its passage through this House.

In colloquial terms, section 46 places the Council in the position of either accepting or rejecting the Government's Budget as a package. It is, therefore, a matter of some importance to ensure that items included in the legislation are for the ordinary annual services of the Government. President Griffiths defined the ordinary annual services as -

- (a) services required to be provided by a government, or provided as part, or in the course of implementing and administering its policies;
- (b) the services so provided must have existed prior to the period for which the appropriation is to be made or have antecedent, separate, parliamentary authorisation;
- (c) the appropriation cannot extend beyond one financial year and the service to which it relates must lapse when expenditure of the money appropriated is exhausted or at the end of that year, whichever occurs sooner.

I agree with that definition if, as would seem to be the case, the "parliamentary authorisation" mentioned is in those cases where the authorisation is legally required. It seems to me that I am not obliged to examine the detail of the Bill; all I am required to do is to satisfy myself that the items contained in the Bill are services of the Government. Again I quote from the 1994 ruling -

At its widest, "services of the Government" encompasses all aspects of public administration that rely for their continuation on annual appropriations. The precise boundaries of what comes within the description will vary depending on contemporary attitudes and expectations of the role and functions of a Government in a democratic society.

Services are not to be confused with methods of service delivery. How a Government provides its services is not a matter encompassed by section 46.

By prohibiting tacking, section 46(6) has the effect of separating appropriations for the ordinary annual services from other types of appropriation and thereby gives effect to the purpose contained in section 46(2) - denying the Council an ability to amend appropriations for the ordinary annual services. If, as I accept, subsection (6) does have that effect, the only question that remains is whether a particular provision in the Bill can be characterised as having as its appropriate or necessary purpose the provision of funds to the Government for the services it ordinarily provides.

Put another way, the test is what the High Court of Australia has referred to as "reasonable proportionality" described in *Nationwide News Pty Ltd v Wills* in the following terms by Chief Justice Mason in 1992 -

... in characterising a law as one with respect to a particular head of power, a reasonable proportionality must exist between the designated object or purpose and the means selected by the law for achieving that object or purpose ...

Admittedly, there the court was dealing with commonwealth legislative powers, but the principle itself is sound, and I see no reason why it cannot be applied to section 46 as the test for deciding whether a particular provision in a Bill for the ordinary annual services of the Government can be characterised as one reasonably appropriate and adapted to meeting the cost of providing a service ordinarily supplied by the Government.

Applying that test, I am satisfied, absent anything to the contrary, that the Bill's provisions are properly for the ordinary annual services of the Government.

Accordingly, the Bill may proceed.

#### *Point of Order*

Hon JOHN HALDEN: I do not wish to be impertinent, and on the surface I have no problem with what I understand your ruling to be, Mr President, but I wonder whether it is possible within standing orders to have your ruling

considered by the House at some later stage. I do not say that to be highly critical; however, I have had some involvement with this very difficult matter. I would like the opportunity to consider what you have said, and perhaps at some later stage to invite the House to comment upon this ruling. I do not seek to be critical at all, but purely to have the time and the opportunity to debate this matter in the House. I wonder whether it is possible to move that consideration of your statement be made an order of the day for the next day of sitting.

The PRESIDENT: Order! Yes. It is appropriate. The member may move that the President's ruling be made an order of the day for the next day of sitting of the House. I am sure the House will accommodate him.

*Debate Resumed*

On motion by Hon John Halden, resolved -

That the President's ruling be made an order of the day for the next day of sitting.

**CURRICULUM COUNCIL BILL**

*Report*

Report of Committee adopted.

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

*Second Reading*

Resumed from 14 May.

*Classification*

**HON J.A. SCOTT** (South Metropolitan) [5.45 pm]: I move -

That this Bill be designated a C class Bill under the new sessional orders.

I do that because I am very concerned at the lack of information that has been prepared by the Government on what this legislation will tie the State's taxpayers into. I asked a question in this House on 11 March this year-

What amount of funding will the State Government put into building port facilities at Oakajee, if Environmental Protection Authority approval is given?

The answer was -

The Government is currently studying this issue.

Part (4) of the question was -

What amount of funding will the State Government put into the building of infrastructure, such as gas, power, water and roads, at Oakajee if EPA approval is given?

The answer to that question was -

The Government is currently studying this issue.

Part (5) of the question was -

How many hectares will the proposed Kingstream project cover?

The answer was -

The issue is yet to be decided following completion of the feasibility studies.

I also asked what -

What area of coastline will be affected by this proposal?

I was advised that this issue is being addressed as part of the Oakajee Port facility study.

I am concerned that very little work has been done on this project to see what amount of taxpayers' funding has been committed.

I am also concerned that the environmental approval process the Department of Resources Development normally goes through has not been followed in this instance. The department has breached its methods of operation for this project. There seems to be an unholy rush to have this legislation dealt with. I am told that the reason behind this

urgency is that finance must be arranged by the participants in this project; that is, Kingstream Resources NL and An Feng (Australia) Pty Ltd. If this is the case, why has the Bill taken months to get to this House when it was introduced in the other place in March and the Opposition there said that it was keen to proceed with it and did not want to hold it up?

We have arrived at a point at which we must make a decision in a hurry in case this fantastic deal disappears. Members should not get me wrong: I think a steel processing plant in the mid west is a good project and will be beneficial to this State. I am happy the State will not just dig up rocks and send them away, because that will not advance Western Australia in any way. However, I am concerned about this sudden rush without the background information being prepared. We are about to push ourselves into ratifying an agreement in this House, yet we do not know what the end result will be for the people of this State. We do not know very much about what the environmental assessments will say or what the project will cost.

My colleague Hon Christine Sharp referred to criticism by Environment Australia of a consultant to a project in Mandurah. I must ask questions about the environmental assessment process that has been carried out on this project. The following question, which I placed on notice, was answered on 12 June -

Is the Minister for Resources Development aware that the consultant, Mr Alan Tingay, is the person who carried out the 1994 PER on the construction of a deep water port at Point Moore and the Point Moore Draft Coastal Management Plan for the Geraldton Port Authority, the 1995 PER for Kingstream Resources' one million tonne steel plant at Narngulu, the 1996 CER for an upgraded 2.4 million tonne steel plant for Narngulu, the 1997 PER into the Oakajee deep water port for the Department of Resources Development and the 1997 CER for the 2.4 million tonne An Feng-Kingstream Steel Plant to be located at Oakajee, is also the Kingstream Resources Environmental and Community Affairs Coordinator?

The Minister is aware of that. He states -

Alan Tingay & Associates is a reputable environmental consulting firm advising on a range of environmental matters.

I am not satisfied that the same environmental consultant has been used all the way through the process and that that person is on the payroll of the company as an environmental and community affairs coordinator. I have a problem with that. I am not satisfied there is sufficient distance between that person's roles and the role of providing that assessment for all the projects that are tied in with the Kingstream mid west steel project.

Many concerns about the crayfishing industry in this area have not been addressed. An article on Friday, 4 April 1997 in *The Geraldton Guardian* states -

The State Government's plans for major industry at Oakajee have received a severe blow with the fishing industry rallying against the move.

Industry leaders have slammed the push for a port and development at the site north of Geraldton, claiming it could destroy the region's \$150 million business.

I presume that is \$150m annually. It continues -

Fishing lobby groups fear chemicals and other noxious products will pollute the Mid West's prime coastline - their concerns not helped by a 1994 State Government document which looked at the potential uses for the proposed industrial estate.

I would like to see this project more heavily scrutinised by sending the legislation to the Standing Committee on Legislation or an appropriate committee of this House.

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [5.55 pm]: The Government does not support this motion. Hon Jim Scott will be aware that the sessional orders provide for a Bills committee that provides a classification for legislation. This Bill was given a classification of B, which means it is a Bill that may pass unamended or unopposed, but that appears to require some consideration, whether in a Committee of the Whole House or a standing committee. In other words, it is not a Bill that would normally be passed without the need for a Committee stage. However, it means it is the sort of Bill that can be dealt with in Committee of the Whole House, or if a set of circumstances require it to go to a standing committee, that is considered to be a potentiality. It is the Government's view and the view of the Bills committee that that is the way the Iron and Steel (Mid West) Agreement Bill should progress - and that is what I believe should happen with this Bill.

This is important legislation. It must be passed as quickly as possible. It is the view of the Government that we should proceed with it today. Criticism has been expressed that it has been in this place for a long time. It arrived

five weeks ago on Wednesday, 14 May. However, in that five weeks we have had two one week recesses, a one week period in which we had a one day sitting and the Estimates Committee for the rest of that week, and last week we had other business plus maiden speeches with which to deal. The Bill has reached its turn on the Notice Paper. It is my view that we should deal with it at this point. If the Greens want to delay, frustrate or stop this project - they can take their pick which of those is their point of view - they will do a great disservice to Western Australia and to a significant project.

Hon J.A. Scott: We are just worried about accountability.

Hon N.F. MOORE: I am pleased to hear that. If Hon Jim Scott believes he should prevent this project going ahead and that he should adopt procedures to frustrate, delay and potentially provide problems for the proponents of this project, that is for him to argue to the community and to tell them why. If he calls that accountability, that is his business. I make it clear to him and to anybody else who might want to support his proposition that further and ongoing delays to this legislation will in no way help the project, but have the potential to hinder it.

Hon Jim Scott has had plenty of time - he just told me the legislation has been a long time coming - to assess what the Bill contains and to work out in his mind what he wants to say in Committee on this Bill. He can raise whatever issues he wants to during Committee of the Whole. He has had plenty of time to work out what those issues are and whether he will seek to amend the legislation. I thought that was what he would try to do in Committee of the Whole, rather than seek to send the legislation to a committee in which half a dozen members on their own will take as much time as they feel they need to deal with it. I do not mind Hon Jim Scott arguing his case as loudly and as long as he likes in the public arena. However, I want him to ensure that he tells the public that he is trying to slow down and delay significant economic development, which is all about jobs and investment in Western Australia.

This is a major project. It has reached the stage at which Hon Jim Scott should at least have been able to work out what he wants to say in this House. I suggest that if he has not done that and if the Bill must go somewhere else for him to think about it further, he is either a slow learner or he has an ulterior motive; that is, to delay, frustrate or put an end to this project. The Government does not support the motion to reclassify this Bill to a C class Bill. It is a B class Bill, which means it can go to a committee if it is so decided during Committee. That will be determined at the time. However, it is my view that we must progress this Bill as quickly as possible to give the proponents some chance for this project to come to fruition.

*Sitting suspended from 6.00 to 7.30 pm*

**HON MARK NEVILL** (Mining and Pastoral) [7.30 pm]: The Opposition opposes changing the category of this Bill. I can understand the concerns raised by the Greens (WA) members, and they are valid. I do not accept the Minister's charge that the Greens are aiming to stop the passage of this Bill. They have been positive about it and that is pleasing, but they do have their concerns.

The Bill contains a number of clauses providing that the Government or the proponents can opt out at certain stages if the project does not meet expectations. In addition, a number of clauses relate to environmental safeguards. More detailed information is needed on many matters. However, that will be true for a long time; even when the project is completed we will be still be learning what is going on in the environment. If those problems cannot be solved in the Oakajee area, they will probably not be solved anywhere, particularly near the larger cities along the coast. We must establish industrial areas and they should be on the coast. During the second reading debate, I will outline the reasons the site must be on the coast and not inland. The general framework of the Bill will ensure that these matters are addressed. The Opposition believes that the environmental framework for this heavy industrial area must be of the highest standard.

I do not know Alan Tingay, but I have heard his name mentioned in environmental circles and I believe he is reasonably well respected. It is good to see local people getting the work and not companies which have big fancy names and which produce expensive reports. Often those reports do not contain the detail that is provided by local people. As I said, I cannot judge Alan Tingay's competence, but I see no conflict in his liaising with the community given that he has a good knowledge of those areas. We have many competent local people such as Vic Semeniuk who can do as good a job as high priced multinational environmental companies.

The Public Accounts and Expenditure Review Committee has a brief to overview the government expenditure commitments in this Bill. An amendment foreshadowed by the Democrats will further strengthen protection of taxpayers' funds.

This Bill facilitates the development of the project, but it will not provide the answers to all the environmental and other problems. For those reasons, the Opposition supports the Bill's present classification.

**HON NORM KELLY** (East Metropolitan) [7.35 pm]: The Democrats support the motion to refer this Bill to a committee. The structure of this committee does not allow direct involvement by the Democrats and, along with the Greens (WA) members, we will work towards having our concerns raised more directly.

Serious question marks hang over this project. The concerns are broad ranging and involve areas such as accountability, social issues, the environment, the resources that will be mined and assessment of alternative sites, which the Opposition does not believe has been properly undertaken. Concerns have also been raised about the level of subsidies for this project.

These concerns were debated extensively in the other place. Hon Mark Nevill pointed out that a reference has been given to the Public Accounts and Expenditure Review Committee to consider these issues. However, because of the fuzziness of some of the figures mentioned, the Democrats would prefer to see harder figures and definite facts about the project.

Hon Norman Moore said he believed that we might be involved in a campaign to delay and frustrate this project. That is not what the Democrats are about. We were elected to scrutinise Bills in this place thoroughly and to do any less would mean we were not doing our job.

Hon Helen Hodgson and I have assessed problems arising from the Bill. The Greens (WA) and Hon Mark Nevill have mentioned their concerns, and I believe members opposite also have concerns.

Hon Norman Moore stated that we might be creating problems for the project proponents. The Democrats are concerned about the possible problems for the people of Geraldton and Western Australia, which will be very long lasting, not only in the environmental and social sense but also in the economic sense. During my second reading contribution I will elaborate on some of my concerns about accountability and a possible recurrence of the WA Inc days. I mention it briefly now to reinforce the Democrats' argument for this Bill to be referred to the committee. As I said, it is not a matter of delaying or frustrating the Bill: We want hard facts about the project. If they are forthcoming, we will support the Bill. A massive project such as this requires appropriate scrutiny. For that reason, the Democrats support the motion.

Question put and a division taken with the following result -

Ayes (5)

Hon Helen Hodgson  
Hon Norm Kelly

Hon Christine Sharp  
Hon Giz Watson

Hon J.A. Scott (*Teller*)

Noes (23)

Hon Kim Chance  
Hon E.J. Charlton  
Hon J.A. Cowdell  
Hon M.J. Criddle  
Hon Cheryl Davenport  
Hon Peter Foss  
Hon John Halden  
Hon Ray Halligan

Hon Tom Helm  
Hon Barry House  
Hon Murray Montgomery  
Hon N.F. Moore  
Hon Mark Nevill  
Hon M.D. Nixon  
Hon Simon O'Brien  
Hon Ljiljana Ravlich

Hon B.M. Scott  
Hon Greg Smith  
Hon Tom Stephens  
Hon W.N. Stretch  
Hon Bob Thomas  
Hon Derrick Tomlinson  
Hon Muriel Patterson (*Teller*)

Question thus negatived.

*Second Reading*

**HON MARK NEVILL** (Mining and Pastoral) [7.43 pm]: The Opposition supports the Bill. I have closely followed the fortunes of this project since 1993. It is with some pleasure that I see the Bill before the House, because it vindicates some of the comments I have made in the House over the years. I will make some general comments on the Bill and follow that with some comments on the contract to supply gas to the Kingstream project. That has an important bearing on energy costs in Western Australia. Its implications are far wider than the Bill itself. I also want to comment on the merger between An Feng (Australia) Pty Ltd and Kingstream Resources NL. I have some misgivings about that merger, although I supported the joint venture. I will also comment on some of the missed opportunities.

This is a very important project. The steel mill will cost some \$1.4b and the associated projects will cost some \$1b. They include a dedicated gas fired power station of 500 MW, which is bigger than Collie station. It will have a major air separation plant built near the steel mill which will supply oxygen for the furnace and also nitrogen. Unfortunately, there will not be a new gas transmission line but a significant looping of the Bunbury-Dampier natural gas pipelines. That will involve 400 kilometres of looping to increase the capacity and the upgrading of existing

compressors and additional compressors for that line to increase the pressure of gas coming down the Dampier-Bunbury natural gas pipeline. That pipeline is near capacity as it is currently configured.

This project has some tremendous strengths. All the technology that is used has been proven. The direct reduced iron plant at Port Hedland will use Finmet technology, which has great risks attached to it at that scale. It has been proved on a small scale. However, this project will be using turnkey technology. A pelletising plant will be built. The steel making process has not been decided yet. It could be a HYL 111 direct reduction plant or it could be a Midrex plant, which uses gas. It is interesting that the HYL 111 process was developed in South America as was the Finmet process for DRI in Port Hedland. If the South Americans can develop those sorts of metallurgical and steel making processes Australians can certainly do it. It suggests that we lack a lot of effort in the area of research and development. The other technology that will be used that is proved is the electric arc furnace and casters at the end of the process.

Today Kingstream held an extraordinary general meeting to decide whether it will merge with An Feng. I have not heard the result of that meeting; however, I presume that the merger will go ahead. An Feng will take 2.4m tonnes of the steel slab under a long term contract. The project is a key to the industrial development of the mid west and to the development of the Oakajee estate north of Geraldton. This project has not been put together by multinationals, but by Western Australians. When this project started the partners in Pavilly were local people in Western Australia. I am aware of people being involved in this in 1991. It is great credit to those people that they can get this steel mill almost up and running when the major players in the Pilbara have been happily shipping off their unprocessed ore overseas. They have really embarrassed the BHPs and Hamersleys of this world.

Great benefits will flow from this project. The export income from the steel slab will be approximately \$750m and there will be a demand for material and services. This project will use 3 per cent of the iron ore mined in Western Australia and will contribute 25 per cent of the value of the current \$3b iron ore exports. Various figures on the number of jobs that will be provided by the project have been put forward, but there will be a permanent work force of approximately 650 and at the construction stage 2 000 jobs will be created.

The revenue to the State sounds small in comparison with the capital cost of the project, but when the project is fully operational iron ore royalties will amount to approximately \$5m per annum, gas royalties will be approximately \$9m per annum and payroll tax will be approximately \$5m per annum. Those figures depend on a number of factors and the impact of the project will not be known for some time.

The project has been attracted to the mid west region by low cost iron ore, cheap gas from the North West Shelf, lower building, construction and employment costs compared with the Pilbara, good reserves of artesian water at Alanooka, east of Geraldton, and an existing work force, the turnover of which will be much lower than if the mill were built in the Pilbara. The mid west region has a good climate and existing levels of infrastructure, including social infrastructure - health, education, sporting and recreation facilities.

Another attraction for this project is the prospect of a deepwater port, which this State lacks. Members are aware of the limitations of the Geraldton harbour and the cost of deepening it because it has a limestone base. Currently it can take ships of up to only 30 or 40 tonnes.

I will outline the history of the project for the benefit of members. It has developed over seven years. Prior to 1991 Pavilly, a small private partnership, developed a preliminary conceptual plan for the establishment of a steel mill at Mullewa, 120 kilometres east of Geraldton. That mill was to use iron ore from Talling Peak, north of Mullewa, and coal from the Irwin River coal deposits. It was designed to produce only 7 million tonnes of steel a year.

In October 1991 Kingstream Resources NL entered into a joint venture deal with Pavilly to acquire a 60 per cent interest in what was called the mid west project in return for providing funds for a bankable feasibility study. In 1991 Kingstream secured the exploration licences over Talling Peak, Koolanooka and the Blue Hills deposits. In 1992 another local engineering company, Signet Engineering, was commissioned to complete a \$400 000 pre-feasibility study. The findings of the pre-feasibility study showed the project possessed a significant comparative advantage to produce a high quality product at a competitive price. Signet recommended that the partners proceed to a full feasibility study. That study commenced the following year and took two years to complete. The cost of the full feasibility study was \$6m and this small company, which most people did not take seriously, had to raise that amount of money.

That study, in which McLellan and Partners Ltd was involved, was completed by Signet in 1995. The study was for a \$950m plant configured to produce 1.5 million tonnes of high grade carbon slab. Halfway through the feasibility study it was decided to shift the project from Mullewa to Narngulu, which is about 7 kilometres from Geraldton. The study showed the project was technically feasible and commercially viable and, more importantly, that the production costs would be in the lowest 25 per cent in the world. That was the factor that excited me early in the piece.

Full feasibility studies are very detailed documents. Although this work was done for a site at Narngulu and not for Oakajee, a lot of the data that has been collected is of use in upgrading the studies for Oakajee. The full feasibility study covered ore reserves, mine plans, plant locations, transport options, infrastructure requirements such as ports, roads and rail, and input costs, including gas. It was during this period they decided to switch from coal to gas because it became apparent that gas prices would fall because of the reserves that were being discovered on the North West Shelf. Power requirements, water requirements and the cost of those things were covered by the feasibility study. It also covered the cost of carrying out environmental impact studies on both the plant and minesite and obtaining government and environmental approvals.

The study also identified markets. Early in the piece it was clear that Asian steel groups could finance the project. I am aware discussions have been held with groups from Indonesia and Korea. A lot of overseas interest has been shown in this project.

Another part of the feasibility study was to determine the technology that would be used, the processes that should be implemented, the configuration of the plant and to develop capital and operating cost estimates. Even at the time of the An Feng interest in the proposal there were various configurations of the mill. One was to produce 1 million tonnes of hot roll coil per year and another was to produce slab or billet. Depending on how it is configured the estimated revenue streams can be maximised.

Since that study commenced in 1992, Kingstream has proved up 28 million tonnes of high grade iron ore at Talling Peak with an expensive drilling program. Other estimated low grade iron ore includes 8 million tonnes at 66 per cent iron ore at Talling Peak, 60 million tonnes at 66 per cent iron ore at Koolanooka and 30 million tonnes at 66 per cent at Blue Hills. These are estimates and have not been drilled to the extent of Talling Peak. Western Mining Corporation Limited exported iron ore from Koolanooka in the early 1960s.

Kingstream Resources recently announced an option over the Weld Range iron ore deposit just east of Cue, which will add to Kingstream's reserves. These deposits can underwrite this project at the current production for approximately 50 years. Kingstream and Pavilly Partners have received environmental approvals from the Western Australian Government for a 1 million tonnes per annum hot roll coil plant at Narngulu. The project has been given major facilitation status by the Federal Government and was granted registration under the Development Allowance Authority Act of 1992 in respect of 10 per cent of its capital costs.

Finding a partner for this project to finance and perhaps undertake the production has never seemed to me to be as onerous as people have indicated. Parties have always shown an interest in it. Although I was not privy to discussions, I have always believed that some of these interests were knocking on Kingstream's door as well as Kingstream knocking on theirs. In September of 1995 Kingstream purchased Pavilly's 40 per cent interest in mid west iron and steel so it became completely Kingstream's project. In May 1996 a joint venture was announced between An Feng and Kingstream Resources.

An Feng is a fairly large vertically integrated steel producer in Taiwan. It has a hot roll coiling mill which produces about 2 million tonnes a year in Taiwan. It owns 40 per cent of a 1 million tonne per annum cold rolling mill also in Taiwan and 40 per cent of a galvanising plant under construction in Shantou, South East China.

Kingstream entered into a joint venture agreement with An Feng to develop and operate the project. An Feng was to receive 70 per cent and Kingstream 30 per cent. This joint venture resulted in a significant change in the project from a 1 million tonnes per annum HR coil plant to a 2.4 million tonnes per annum steel slab plant. An HR coil plant is a rolling mill attached to the end of a steel mill.

The design will involve three 160 tonne a day electric arc furnaces. A total of 4.5 million tonnes of iron ore a year will be mined from Talling Peak. A pellet plant will be constructed at Oakajee to produce 3.5 million tonnes a year. There will be two separate 1.2 million tonnes a year direct reduced iron plants and three continuous casters.

I was disappointed about this joint venture because although it had the go ahead at Narngulu there was difficulty with its producing 2.4 million tonnes a year there. It also required a new bankable feasibility study and new environmental studies. Therefore I was not sure it would be successful at 2.4 million tonnes a year. I was confident it would go ahead at its previous configuration.

In January this year, An Feng and Kingstream announced they would merge. That was subject to an independent shareholders' meeting today, which I presume has approved it.

Hon N.F. Moore: It did.

Hon MARK NEVILL: An Feng already owns 15 per cent of Kingstream. Later I will discuss the merits of this merger. Due diligence of the assets being merged was undertaken by Grant Samuel and Associates Pty Ltd, a fairly prominent company which undertakes many of these studies. Its report is deficient in some ways.

Much criticism has been made of Ken Court's being on the board of Kingstream. I have received a number of letters from constituents complaining about the Premier's brother being the Chairman of Kingstream. I have no reservations about that. With that family's strong links to Taiwan it is an understandable decision. If the partner were South Korean, Indonesian or Thai I doubt anyone would see Ken Court as the Chairman of Kingstream.

The State Agreement Act which is part of the Bill we are being asked to ratify and the implementation of which we are being asked to authorise is between the State of Western Australia and Kingstream-An Feng and was executed on 12 March 1997. The key features of the agreement for what I call the AFK steel project include the right to convert for mining purposes all exploration licences to 21 years with two further extensions of terms of 21 years each. Royalties are payable to the State on all iron ore processed. The royalty rates are fixed for 14 years at 7.5 per cent of realised value of lump ore; 5.625 per cent of realised value of fine ore; and 5 per cent of the realised value of iron ore concentrate. The rates are reduced by 0.5 per cent if the ore is processed to high grade pellets, 1 per cent if processed to DRI and 2 per cent if processed to steel.

Both the State and the AFK steel project agree to undertake the necessary studies and to expedite the approvals to relocate the steel plant to Oakajee. A sufficient number of these activities are to be completed by 30 April 1997 so that a decision on the feasibility of the Oakajee relocation can be made.

Obviously 30 April 1997 has passed. However, a clause in the Bill allows all the dates outlined in the Bill to be extended. I will refer to that clause later. That expired date is not important for the purposes of this debate. If a decision is made not to terminate the studies at the end of April the parties will consult immediately after 30 June 1997 on the feasibility of the Oakajee concept. If a decision is made to proceed with Oakajee, agreement on the specific site of the steel plant at Oakajee is required by 31 July 1997.

If the Oakajee site is used, the AFK steel project will be granted a five year lease over a 200 hectare site and a right to purchase the site. An additional 100 hectares of land adjacent to the plant site are set aside for 15 years for expansion of the steel plant. On the initial production of approximately 2.4 million tonnes per annum of steel slab the State will meet the additional capital costs of providing water, rail and electricity connections to the Oakajee site, compared with the costs for the Narngulu site. If it is determined that Oakajee is not feasible the plant will be relocated at Narngulu. If the State is required to construct and operate either directly or indirectly a port at Oakajee capable of handling the export of steel slab and the import of scrap and general cargo, the port is to be completed no later than five years after the commencement of the construction of the steel plant. That could be as late as 2003. Once operational the AFK steel project is required to use the Oakajee port for the majority of its imports and exports. The AFK steel project is required to use Western Australian labour, services and suppliers to the extent possible. The AFK steel project has the right to obtain a gas pipeline licence to deliver gas from the North West Shelf if an agreement to deliver gas cannot be reached with AlintaGas. The AFK steel project is granted priority access to No 6 berth at the existing Geraldton port.

Those features cover the main points in the Bill. I turn now to some of the comments made about the project. It is a pity that Hon Ross Lightfoot is no longer with us, because I intended to rub some salt into his wounds tonight. I must send him a copy of this speech!

I do not believe this project has been taken seriously by people who should have followed the process closely for a number of years. In June 1994 during debate on the Iron Ore Processing (BHP Minerals) Agreement Bill I stated -

In the early 1970s we had a false start to further processing at Cape Lambert and there was another at Dampier. They did not work out and one of the plants was sold to China. Since then we have been rapidly exporting our capital in a non-processed form with the major beneficiaries being the people who make the steel and further process the iron ore. We will have a tremendous opportunity in this state over the next decade to have a number of steel mills and iron ore processing plants down the coast. The project at Port Hedland, the Compact project in Perth and the Kingstream project at Geraldton are being developed. They are not pie in the sky; they are very real.

Further on I said -

The Kingstream and other projects have the opportunity to tap into cheap gas or coal. Let us make no mistake about it: Those projects have a real prospect of coming to fruition with the proper encouragement of the Government. The different factors are falling into place in the Pilbara.

I meant the gas situation. Further on, I said -

In my earlier comments I suggested that there is a market and the projects have the capacity to be economic. With these two Bills and the Pilbara energy project Bill, we will see some downstream processing instead



of wishful thinking as has been the case over the past 20 years. It is not in anybody's interests to be sending our capital - our mineral wealth - overseas in an unprocessed form.

Hon Ross Lightfoot spoke on the same Bill. He said -

With respect to the proposals by Compact Steel Pty Ltd, the Kingstream Group of Companies and Hismelt Corporation Pty Ltd, it is my humble opinion, for what it is worth -

At that stage Hon Tom Helm interjected and asked whether that was right; so we did not hear the end of that comment. Further on Hon Ross Lightfoot said -

It seems to me the only place that a steel mill must go - boutique, medium or major - is the Pilbara.

I interjected and asked why we could not have three. I said that his argument about having to steam from Port Hedland to Kwinana did not apply to Geraldton. He was talking about the cost of taking iron ore to Compact Steel. Hon Ross Lightfoot answered -

It does not quite apply. There is the added disadvantage of bringing the product in from Mullewa. Despite any advantage there is at Geraldton with respect to smaller ships, because the Geraldton harbour cannot take deep draft ships, there is not the economy of scale. I would be very surprised if the Kingstream project ever got off the ground.

Further on he said -

It is most unlikely that the contracts for Kingstream and Hismelt will get off the ground. The most unlikely will be Kingstream.

It has turned out to be the opposite. I will not go through the other comments, because I have made the point. However, during debate in early 1996 I mentioned the problems to be faced if the Mt Gibson project went ahead, because the Kingstream project would probably go to Oakajee at that stage. It is a pity that these matters did not crystallise earlier, because we have been faced with quite a bit of trouble. Hon Ross Lightfoot was sceptical of the Kingstream project until September 1996. As I said, it is a pity he is not here to listen to some of his other comments, which I would read to him -

Hon N.F. Moore: You spent his last week telling him to leave!

Hon MARK NEVILL: I only wish that the Government had brought on the Bill earlier so that I could have made my point to him.

Hon N.F. Moore: I am sure he would receive it with great interest!

Hon MARK NEVILL: I want to comment on the Government's handling of the project. The Government was caught on the back foot by the project. The difficulties in which the Minister for Resources Development has found himself over the past year have been caused by the way the Government has handled the project. I have spoken to numerous people at BHP and Hamersley Iron who have tried to convince me that the project will not proceed. Unfortunately, those two companies have been fairly successful in convincing many other people that the Kingstream project was a proposal put up by junior companies, and that it never had any prospect of materialising.

The parliamentary handling of the Bill has not only amazed but also annoyed me considerably. The joint venture was signed on 11 October 1996, and the draft legislation went to Cabinet on 14 October 1996. On 2 November the first public announcement of the move to Oakajee was made, because of the size of the proposed plant; and on 11 November that move received Cabinet approval. The Bill was introduced in the Assembly on 18 March 1997. It was delayed for one week at the request of the Opposition because it was not ready to debate the Bill. It then sat in the other place for five weeks, a total of seven weeks altogether, before it was dealt with. A message was sent to the Legislative Council on 8 May. I am even more concerned that it took a week for the message to be read in the Legislative Council.

Hon N.F. Moore: It was probably one of the days we could not hear ourselves think.

Hon MARK NEVILL: It was introduced in the Legislative Council on 15 May, and one of the reasons it was delayed was that the industrial relations Bill took precedence. The Opposition offered to sit on Wednesday, 28 May to deal with this Bill. It offered to move one of the Estimates Committee hearings to the following week to allow that. That offer was not accepted, and it became obvious that the earliest date this Bill could be dealt with was 11 June. It is now 18 June and yesterday this Bill was Order of the Day No 10 on the Notice Paper.

Hon N.F. Moore: With respect, it would have started last week - probably Thursday - but you were not here.

Hon MARK NEVILL: I will take responsibility for one day's delay in three months. I acknowledge the Minister was kind enough to allow me to travel to the central desert to attend important electoral business on that day.

Hon N.F. Moore: We always seek to cooperate. It was that far down because there were half a dozen disallowance motions on the Notice Paper that always take precedence. The others were machinery matters.

Hon MARK NEVILL: I was annoyed that this Bill was not dealt with more quickly because the Minister for Resources Development was scathing of members in another place for delaying the Bill. That happened in March of this year.

Hon N.F. Moore: Today we were accused of rushing it through.

Hon MARK NEVILL: We are trying to get the Government on an even keel. With some luck we will achieve that.

I mentioned in my introductory remarks that I would comment on the ramifications of this Bill for the State. The main area on which I shall comment is the impact it has had on gas policy. This project is as much about energy policy as it is about steel making. Even if this project does not go ahead, energy policy in this State will have changed rather dramatically. The way in which the Minister for Resources Development has handled this energy issue will result in opportunities possibly being lost, and certainly in opportunities being delayed.

The deal will be good for Kingstream, but other users of gas in the State will not be offered the prices for gas that have been offered to Kingstream. It will receive the benefits, and any other gas users obtaining gas from the Dampier-Bunbury pipeline will pay a much higher premium than Kingstream. There is no doubt about that. Although it benefits Kingstream, it will not achieve the low gas prices to the south west that could have been achieved with a second pipeline. That second pipeline could carry gas with less onerous specifications than that in the Dampier-Bunbury natural gas pipeline. That gas must have a certain amount of condensate because Wesfarmers' strip that at its plant in Kwinana, and if it does not contain a certain amount of condensate the shippers are penalised. It also has tight thermal specifications, and the amount of inert gas contained in it is highly regulated. A second pipeline could have contained industrial quality gas that did not need to be processed to remove inert gas. It would have provided a market for BHP's Macedon gas field, and the Gorgon, Harriet and East Spar gas fields could have supplied gas for that pipeline. A major gas user is needed to underwrite a second pipeline to ensure its viability. With the contract being awarded to Epic and AlintaGas, the opportunity has been lost.

Hon N.F. Moore: Are you saying they should not have got the contract?

Hon MARK NEVILL: I will comment on that later.

Hon N.F. Moore: Will you also substantiate the arguments about prices?

Hon MARK NEVILL: I have an idea what the prices are, but I do not know that it is appropriate to mention them.

Hon N.F. Moore: You are saying it is an opportunity lost and people will pay premium prices, but you are talking about transport costs and not the price of gas.

Hon MARK NEVILL: That is the problem. The North West Shelf provides the cheapest gas in Australia and the transportation cost to Kalgoorlie is \$3.56 a terajoule. The cost of the Dampier-Bunbury pipeline gas under this contract is in the order of 50¢ a terajoule. That is a massive difference in transport costs.

Hon N.F. Moore: Do you know why?

Hon MARK NEVILL: I do not think we should get into that debate because it will take another two hours. That can be addressed in debate on the Energy Coordination Amendment Bill.

Hon N.F. Moore: It would not be here if it were not for that.

Hon MARK NEVILL: I will get to that. The Minister is pre-empting my argument. The gas in the second pipeline would have been cheaper because it certainly would not need to be processed to the same extent as the gas from the Dampier-Bunbury pipeline.

I also am very critical of the Government for writing into the legislation that Kingstream can make the decision about who builds the second pipeline. In my view that should always be the preserve of the Government because the interests of Kingstream are not necessarily the best interests of the State, although as a major user it certainly will have a big influence on that decision. The three failed bids in this tender to supply Kingstream were all based on a second pipeline. That second pipeline would only ever have been allowed to go to Geraldton and it would not have had access to the lucrative markets in the south west of Alcoa of Australia Ltd at Worsley or the mineral sands processors.

Hon N.F. Moore: Can you give us some idea of the capacity of those industries for gas?

Hon MARK NEVILL: Not off the top of my head. I have asked the Minister for Resources Development a question about projections for the demand for gas, but the Minister replied that he had not seen any. However, I have been shown graphs from the Department of Resources Development showing demand, and Pacific Gas Transmission has approached every consumer in the south west and it estimates demand to be higher than the DRD figure. The Minister said he has not seen the DRD estimates, but I have the graph somewhere in my papers and I will dig it out. The Minister for Resources Development is playing down the demand for gas because he is too concerned about the impact of a second pipeline on the value of the Dampier-Bunbury pipeline. The three groups with bids based on the second pipeline were hobbled and nobbled from the start. I thought early in the piece that PGT, or some similar firm, could challenge the decision of the Minister and still build the second pipeline. Under the Petroleum Pipelines Act one needs a pipeline licence from the Minister for Mines to build such a pipeline. However, if the Minister said to PGT, "You cannot have a licence", the company could appeal that decision in the Supreme Court. If the Minister said in the Supreme Court, "I did not grant a licence to PGT because competition would affect the AlintaGas pipeline", the Supreme Court would overturn the decision as its grounds would stand up in court.

It is possible that someone else could build the pipeline, but the Kingstream contract is necessary to underwrite that expenditure. Epic had a free ride on AlintaGas. Epic should have faced an open tender for the right to be AlintaGas' partner. It was in a privileged position in that tender which it won and the Australian Consumer and Competition Commission will be very interested in this contract, and I will be interested to hear what it has to say about that deal. In the initial bidding Epic came in fourth, yet it moved from last to first. I do not understand how Epic ever had two bites at the cherry, but it did, and I am not sure whether the other partners got that second opportunity.

I am also concerned about the benefit for AlintaGas in these arrangement as its price for gas transmission is incredibly low. The Managing Director of AlintaGas said that the organisation would not be losing money on the contract. However, AlintaGas should be doing better than that - it should be making money. It should not enter an arrangement only to stop a second pipeline and not to make money. I hope the AlintaGas Board members are hard headed enough to question AlintaGas' decision to enter this project if there is no real profit in it for AlintaGas.

In his handling of this issue, the Minister for Resources Development has attempted to increase the value of the existing pipeline, but that was not necessary. The Government would have achieved a very good price for this pipeline anyway: It is a good pipeline; it is in good condition; it is very efficient; and it has long term contracts until 2005 with Wesfarmers and Alcoa. Heaven help the Government if it tries to lock Western Power into contracts with the AlintaGas pipeline after 2005 to increase its value as I will certainly take issue with the Government in that case. Western Power should be free to sign up its contract after 2005 with whoever else builds a pipeline.

The Minister has said that it is possible that a new pipeline could be could be operating in the year 2000, but that is a very risky strategy. In that case, any project which emerges between now and 2000 in Australia will end up in Queensland. Cheaper gas will be available to the proponents. Already we have seen the titanium project from the south of the State going to Queensland, and bauxite-nickel processing is occurring in that State. It has been said that Admiralty Gulf bauxite may come to Geraldton as a possible industry, but that opportunity is likely to go to Queensland as a result of the cheaper gas there. Chevron Oil Co is talking about a pipeline from New Guinea to Gladstone. Also, it is possible that the Bonaparte Basin gas resources in the Tern and Petrel fields may be linked into the Darwin and Alice Springs gas pipeline. Instead of gas coming from Mereeni, west of Alice Springs, and up to Darwin, the gas could go the other way. It would take little to connect that resource into the Queensland grid.

Therefore, the Minister has made a big mistake in not getting that pipeline in early. The sooner that is done, the sooner those industries will be locked in. An old Arab proverb is that three things come not back - the spoken word, the sped arrow and the missed opportunity. If those opportunities are missed in the next two or three years, they will not come back. The Minister has made a major error.

Hon N.F. Moore: Would you agree that he has made a difference in the last four years in the deregulation of the gas industry? It is easy to be critical, but you must be fair.

Hon MARK NEVILL: I want to be fair. Gas deregulation would have occurred anyway. The recommendations of the Carnegie report were available, and sufficient reserves were available in the North West Shelf to allow deregulation to happen. I have no great complaints with the way the Minister has handled that aspect; in the earlier stages he handled it well, but he is definitely open to criticism for his actions in the latter stages, particularly in the last 12 months.

I am very disappointed about the way the goldfields gas pipeline has been set up by this Government. I wish I knew as much about gas transmission and access when the goldfields gas pipeline agreement Act went through as I know now; if I had, I would have pressed many more points than I did at the time. That aspect has not been handled well.

The tariffs are not transparent. When we debate the Energy Coordination Bill, my criticism of the Minister will be known in that regard. He did a good job until about a year ago, but large question marks have hung over his decision since then. When we debated the Electricity Corporation Bill and the Gas Corporation Bill, I said -

A provision must be written into the legislation to prevent someone from building another pipeline to Perth. The current Dampier to Perth gas pipeline entails a debt of approximately \$1 200m, which was the cost of building it a decade ago. I understand the cost of building a pipeline from Dampier to Perth these days is in the order of \$500m . . .

That depends on the diameter of the pipe, of course. To continue -

How can the Government de-regulate the gas system and service the debt it has, without putting a veto on anybody else building a gas pipeline? In a truly competitive situation a third party, such as Australian Gas Light Co, could build a pipeline from Dampier to Perth for \$500m, and completely undercut SECWA or the new owners of the pipeline.

Hon George Cash was the Minister handling the Bill at that time. We talked about licences for pipelines, and Hon George Cash said that the Minister for Mines has an overriding discretion when it comes to pipelines. I interjected, "You have to grant a licence", and Hon George Cash said -

That is right and there is a discretion. However, if an organisation were prepared to put up the funds, there would be no real reason why it should not be granted a licence. In relation to the economic impact of such a move, it is important to recognise that the corporations will protect their positions by taking contracts with major end users and, in a true business sense, they will protect their position in the normal commercial way.

I said -

In the Leader of the House's second reading reply, he said that third party competition was not likely. Will he elaborate on that?

Hon George Cash replied -

Given the quantum of funds that are required to replicate the sorts of business we are talking about, it is most unlikely at this stage that any third party will be in a position to compete. We are talking about very considerable amounts of money.

I asked, "Are you talking about gas or electricity?", and Hon George cash replied, "In particular, gas."

The Minister for Resources Development also said during debate in the other place that there was no prospect of another pipeline being built to Perth. It is quite clear that events have not turned out as the Government thought.

I turn now to why the Government should spend this amount of money on the Oakajee industrial park. In my view, that park has the potential to be a major industrial area in this State. In order for that park to operate it will need a port, rail connections, roads and a power link. It is unlikely that the facility will be used exclusively by An Feng Kingstream. We will need to find other users to ensure that the infrastructure pays for itself. What other users could relocate to Oakajee to make that port economically viable? Clearly the Asia Iron and Steel project could start up at the same time as the Kingstream project. That project is well advanced, and the only problem that it has is a metallurgical problem with silica in the iron ore, which I believe can be overcome if it has not been overcome already.

That project has 350 million tonnes of magnetite in a deposit at Mt Gibson, which is south of the Blue Hills deposit owned by Kingstream. That company intends to build a two million tonne per annum hot briquetted iron facility and a 3.4 million tonne pellet plant at Geraldton. That project will cost about \$750m. The Korean company Halla Engineering and Construction has already signed an option agreement and will fund the feasibility study and take up to 35 per cent equity in the project. The other equity partners are the German company Metallgesellschaft and one of its subsidiaries, Lurgi, which is a major supplier of steel making equipment.

Epic Energy, the company which is piggybacking on AlintaGas, also has an equity interest in the Mt Gibson project - I wonder why. Epic is a subsidiary of the American company El Paso Energy. There is also some Australian ownership in Epic Energy. The gas demand for Asia Iron and Steel will be 105 terajoules a day. The second phase of Kingstream could demand an additional 170 terajoules per day. There is a certain amount of synergy between these two projects, because if the Kingstream project expanded, it could use the pellets or the HBI that is produced by this Mt Gibson facility. In my view, Oakajee is the only place to build that facility.

Other projects mooted for the area are a nickel smelter, presumably for Western Mining's nickel from Mt Keith, a stainless steel plant, a fertiliser plant and a bauxite processing plant. These projects are just on the wish list at the moment, but the Mt Gibson project is a potential goer.

I can envisage major industries in that Oakajee industrial park providing jobs and export income for Western Australia. I heard about a year ago that An Feng could increase the steel mill to some 10 million tonnes per annum, which is four times the size that is proposed. The member for Geraldton, Bob Bloffwitch, said during the debate in the other place that it could expand to seven million tonnes per annum. Often government backbenchers have an entree into these projects that other people do not have, and as he is the member for the area I do not think he would be talking off the top of his head. I believe the proponents are interested in expanding this steel mill because the feasibility studies show that it is that good that its costs are in the lowest quartile in the world.

We should take that risk of building the port. If these things did not come to fruition, the port would not have to be built and the ore could be shipped through Geraldton. That would be unfortunate, and I doubt whether that would happen. We cannot get out our crystal ball and say what will happen there in five years. They might have rolling mills or steel slabs; we do not know. We cannot get definite answers to everything.

The move from Narngulu to Oakajee would be excellent. The Japanese always build their steel mills on the coast, because if they are inland and run out of iron ore, the costs go through the roof because they have to ship in the iron ore, re-handle it and rail it in. We are probably looking at a life of 100 years for Oakajee. The port must be close to the coast so that the iron ore can come in at a later date if necessary. The other prospect is rail it from the Pilbara if it is a big industrial complex. The plant will also require a couple of hundred thousand tonnes of quicklime a year as a flux, and the carbon rods that are used in making steel slabs. Significant quantities of goods will have to come in, not to mention the half a million tonnes of scrap a year which will come through that port. Therefore, the mill needs to be close to the coast for economic reasons. Certainly Oakajee is far preferable to Narngulu, which is only 7 kilometres from the heart of Geraldton and 2 km from some of the residential areas. Because of the size of the mill now, we have to write it off. If we were to build it at Narngulu, there would never be any capacity to expand it. That would be a bad decision.

Hon Simon O'Brien: Narngulu is south of the town?

Hon MARK NEVILL: Yes, south east of the town centre.

I will go through the capital costs to the Government as Oakajee is developed. The deep water port is to be built by 2003 or five years after the commencement of construction of the steel plant. It will take about 15 to 18 months to be built and cost an estimated \$260m, but we do not know what that port will serve. That will become clearer as the Mt Gibson project crystallises and we find out from the proponents just what support there is for the fundraising program that An Feng and Kingstream will be undertaking over the next few months. They have to raise something like \$500m of equity, most of which will be raised in Australia I understand. A \$30m rail link will be built from Geraldton to Oakajee. The Minister in another place conceded that the ongoing operational subsidy will be \$20m a year, most of which will be for the operation of the port. I do not believe that the port will be in a loss making situation for a long time. We have to take risks with these things if we want to improve our terms of trade and provide jobs for our youth. Basically Kingstream will have to pay extra costs over and above what it would have to pay if the mill were built at Narngulu.

I will touch on some questions of policy. I have noted that in the independent expert's report a company called Central Investment Holdings Co Ltd has a 9 per cent interest in Kingstream, which is owned by Kuomintang, the Government of Taiwan. It is interesting to see the Government of Taiwan investing in this steel mill but not this Government, which is too pure to do it. I do not believe that anywhere else in the world would a State supply \$400m of infrastructure without obtaining some equity in the project. I doubt that would be the case in Taiwan. Over the years we have bank rolled the North West Shelf Gas project by renegotiating the contract and foregoing commonwealth and state royalties. It has meant that everyone in the State has been paying inflated gas bills because of the North West Shelf Gas project. I am not saying the project has not had benefits for Western Australia; quite clearly that is the case. There has been a major contribution to a large project and no equity. Quite frankly, I would like the State to have negotiated a situation where we perhaps got 200 million options at \$1.30 so that if the project were a success and the price went up to \$5, the State could cover those options, pay the \$1.30 and have its \$5 shares. I would like to see something like that develop. We are paying for the infrastructure for this project. Does it mean that we should buy back the infrastructure that the iron ore companies provided for the Pilbara? They had to provide that for themselves. We are providing it in this case. I see no problem with the Government getting some equity but not being involved in management that does not put the State at risk. We must look at these sorts of things.

I mentioned earlier the failure of the State to invest significantly in mineral processing research. That is clearly an area where we can add value to our ores. A number of projects over the years have not attracted any funding in our

universities. We have the mineralogists and technologists to do this in Australia. What I have seen in the last year or so has disturbed me. All our energy assets in Victoria have been sold to United States companies basically and the same is occurring in New South Wales. We seem to be selling the farm and to be not very interested in taking a position in that farm.

The merger between An Feng and Kingstream occurred today, as the Minister has advised me. Originally it was to be a joint venture in which Kingstream had 70 per cent and An Feng 30 per cent. This merger provides certain benefits to Kingstream. It is a private company in Taiwan, and it will give it an Australian stock exchange listing. It will be easier for the project to arrange finance because people will be dealing with only one body. Additionally, what were previously the An Feng rolling mills will secure long term high quality slab. They have previously bought it from 10 sources, including France and the Ukraine. They have had trouble with the varying quality of slab. Steel prices depend very heavily on the quality of slab and the specifications of the materials produced from slab. It has not been consistent, and so it should get a lot more for its steel products. The An Feng joint venture and merger with Kingstream will remove a potential 1 million tonnes per annum of hot rolled coil from the world market, which would have competed with their two million tonnes of hot rolled coil plant in Taiwan.

The other disappointing part of the merger is that under the joint venture the project was owned 70 per cent An Feng and 30 per cent Kingstream, but any expansion at the site was to be on a 50:50 basis. Kingstream would have got 50 per cent of any expansion. We are looking at possibly up to 10 million tonnes per annum. Under the merger An Feng owns 82 per cent of the merged company and Kingstream 18 per cent. The major deficiency of the experts report on the merger is that it did not address that factor. A joint venture would have served the State better than a merger.

Under the merger the merged company will buy out the remaining 60 per cent interest in Jenn An, which has a hot coil rolling mill. An Feng does not own that 60 per cent; it is owned by interests associated with An Feng so the Australian shareholders of Kingstream will probably pay a premium for that extra 60 per cent of the mill when it is bought out. The same will occur when the remaining 60 per cent of the Hardyston galvanising plant is bought out, because the remaining portion of that mill is also owned by associates of An Feng.

To my knowledge An Feng does not have any direct experience in making steel slab. It operates rolling mills, which is something that is tacked on the end as a separate phase after the slab has been made. That steel slab making expertise will have to be purchased. I suppose that can be done, but it would have been more comforting to know that someone experienced in the production of steel slab making was a partner in the project. The real disappointment is that Kingstream, the Australian company, will not own 50 per cent of the expansion on that Oakajee site.

I also question the price Kingstream shareholders received in the merger. When the merger was announced the offer valued the Kingstream shares at between \$1.45 and \$1.55. In the past five months the shares have traded in the range of 85¢ to 95¢. That is a 50¢ discount on what was claimed as the value of the shares during the merger. That suggests that perhaps the takeover offer that Kingstream shareholders received was not as good as it should have been. However, that has occurred now, and I am not surprised, looking at the shareholding of Kingstream, that that did occur.

Australia has lost a great opportunity to own a bigger share of the expansion at Oakajee. However, the real question marks hang over the Minister for Resources Development's handling of the gas contracts associated with this project. He has gone for regulation and protection, when what was needed were two pipelines competing to produce low cost energy in this State. Energy prices are the key to developing new industries in Western Australia, but now we will not receive those benefits for a couple of years. I think the Minister is relying on the early expansion of Kingstream at Oakajee to underwrite the second pipeline. By that time he will have flogged the Dampier to Bunbury natural gas pipeline for a premium, but he runs the risk of losing significant business before then. It is also worth noting that that pipeline will probably attract a far better price than the Government said it would attract. It has long term contracts by any world standards and it will be a very attractive proposition for someone to purchase.

This Bill is a major landmark in industrial development in Western Australia - that is, assuming that this project goes ahead, and that is certainly not guaranteed by the passage of a piece of paper in Parliament. I hope that they are successful in raising the finance. An Feng is a highly leveraged company and this project is so fundamentally strong that I am amazed Australian companies and the Australian Government have not got behind it and allowed us to get the full benefits from this project. I envisage that a lot of the benefits will go to Taiwan, and good on them! The Taiwanese have been a lot smarter than we have been. I support the Bill.

**HON HELEN HODGSON** (North Metropolitan) [8.05 pm]: This Bill has been the centre of positive and negative discussion since it was introduced last year. We must consider the many economic, financial and environmental

issues which will affect the people who live in the region and which will flow on to all Western Australians before we make a decision about this Bill.

I have found it extremely difficult to form a position on the Bill because of the competing issues involved in the project. My initial concern is not with the Bill itself, but with the position in which I find myself as a member of this House being asked by the Government to ratify a contract, the terms of which it has already committed itself and the people of Western Australia to.

Although the Government says that it is responsible to the people, as a member elected to represent the interests of the community, I and many others, should have had some input into the development of the contract. I question the appropriateness of using state agreement legislation to approve this contract, because Parliament is not a rubber stamp. However, altering the terms of the contract is extremely difficult. The state agreement process is being used to circumvent the environmental assessment, community consultation and parliamentary review processes. The Government has already agreed to spend the money to move the industrial site and has essentially made it irresponsible for members to not pass the Bill.

My first concern about the Bill is the lack of public consultation. How do the people of Geraldton feel about the heavy industrial area proposed for development at Oakajee? In 1993 a petition signed by about 3 500 Geraldton residents was tabled in this Parliament expressing concern about the development. Does the Minister for Mines know if any further community consultation took place in the light of that petition and the obvious concern of the affected people?

Hon N.F. Moore: Which site were they referring to - Narngulu or Oakajee?

Hon HELEN HODGSON: I believe the original problem was with Narngulu, but there is still community concern about what is proposed for Oakajee. There are many legitimate concerns among the local community about the expected impact on the marine environment, the expected and possible impact of pollution, the site's geological suitability and hydrological problems. I will leave it to Hon Norm Kelly to speak about those environmental concerns.

I also proceed with caution in considering the Bill in the light of the huge monetary commitment being made by the Government on behalf of Western Australians in the wake of cuts to public spending. Schools, hospitals and mental health and disability services are but a few areas that have had to pinch their belts in recent years, and they balk at such large amounts being spent to aid private enterprise. This is even more so in the light of Western Australian's past experiences with entrepreneurial Governments taking unacceptable risks. No Western Australian should forget the expensive lessons from WA Inc. Such large spending does, and should, evoke suspicions and the need for scrutiny. Is there a lid on the amount of money the Government is prepared to commit to this project? There should be, and we should be told what that is. Detailed studies are lacking. All the homework should have been done prior to our reaching this stage of debating the agreement, and no agreement should have been made without all the research being completed.

On a commercial level the agreement with Kingstream Resources NL and An Feng (Australia) Pty Ltd appears reasonable, committing the State to incremental cost rather than the total cost of moving the venture from Narngulu. In fact, the building of port facilities looks as though it will be less expensive in the event of there being a move. In addition, the Geraldton Port Authority has advised that upgrading the existing facilities to Panamax capacity is not an acceptable option for many reasons.

On a comparison of Narngulu and Oakajee, the latter has the benefits of a buffer zone between it and the City of Geraldton which means that things, such as increased heavy road traffic, will not adversely affect residents. There will be more room for expansion of the Kingstream project and there will be room to include and encourage other industries to move to the area, which is essential to the Government's infrastructure expenditure justification.

The whole key to this project is having other industries move to the Oakajee site. With such high levels of investment by the Government in its infrastructure, it is imperative that more industry move to the area and use the facilities for that expenditure of public money to be worthwhile. The Government has admitted that if more industry does not move to Oakajee, it will have been a bad investment. It is speculative, and we must decide whether we are willing to gamble taxpayers' money on this project.

Consideration must also be given to the possible negative impacts felt by other industries already located in the Oakajee area. Sailboarding is a very popular activity in that area. A crayfishing ground is located fairly close to the proposed site for the new port. We must examine whether these industries will be disrupted. The tourism industry is expanding in the region. The Abrolhos Islands are a popular destination, and wildflowers and heritage are bringing increasing numbers of tourists into the area. Development of this industry will offer long term, sustainable regional economic stability. We do not know the effect of the establishment of the site on these new, growing industries.

Although the Government has expounded the economic benefits of employment, revenue and infrastructure, I have some concerns about the level of foreign ownership of the project, especially in light of the merger of the two companies involved. Can the Government guarantee that the terms of the merger mean that the Taiwanese parent company cannot engage in transfer pricing and other pricing and taxation strategies? If transfers of profit occur and if taxes are minimised, such financial gains which may have eventuated from the project will be lost to the people of Western Australia. I would like to see more Western Australian participation in the venture.

Hon N.F. Moore: So would everybody else.

Hon HELEN HODGSON: The local input provisions cater for construction and those aspects of the project, but not for the ownership of the entity. There is provision for monthly reporting to the Minister on various aspects of the project, and I hope this will be rigorously enforced and the reports diligently shared with the Parliament so we can continue to scrutinise the progress of the project and the level of local involvement. In fact, I feel so strongly about the need for Parliament to be kept informed of the progress of the project that I foreshadow an amendment to the Bill which will ensure the Auditor General has the power to scrutinise and report on the project, providing better accountability and consistency.

The City of Geraldton can benefit from the project. It is estimated that 1 000 employees will work at the plant. If the project is located reasonably close to the town, it will mean job opportunities for the people of Geraldton. In addition, the employees who move north will bring their families with them who will live in the town, shop in its stores, and invest in its housing and other businesses. This is another benefit over an inland site where workers would be employed on a fly in, fly out basis. This is in addition to the economic benefit during the construction years of spending in the town by the 2 000 people working on that phase of the project. Again I have concerns. How much of this will benefit the residents of Geraldton? How much labour will be brought in from other projects which have been closed down in other parts of Australia, where workers are already skilled in a particular industry? Are there any measures of the multiplier effect? Is that what we are relying on to improve the economy of the Geraldton region? Is it purely the multiplier effect, and how reliable will that be?

I question the viability of the iron ore reserves in the areas being mined by Kingstream. Research advice shows that the deposits will not last the total 61 years of the agreement. Has the Government costed the scenario in which iron ore has to be brought down from the Pilbara or Hamersley regions to feed the project? Will there be any additional cost to the State in this case? At the same time, if it is a success, the project has the potential to bring enormous benefits to Western Australia.

We need value added industries in Western Australia. At the moment we have huge wealth in raw minerals, but virtually no value added industry. The approval by Parliament of this agreement would see the development of a value added industry by conversion of raw iron ore to hot briquetted iron and steel. Value added industries mean more money being injected into the WA economy. Apparently iron ore sells at \$23 per tonne; HBI at \$190 per tonne; and steel at \$400 per tonne. The export value in the form of steel, rather than iron ore, is obvious.

The iron ore being mined is of a high grade, but there are some concerns about the relatively small deposits. The deposit at Talling Peak is estimated to last only 30 years, if mined at the rate currently proposed to produce 2.4 million tonnes per annum. The question is whether it is a prudent investment for the Government to spend around \$300m on infrastructure if the project has such a short shelf life.

I come back to the same answer: If other industries move into the area, yes, it could be a good investment; otherwise, we would have to say no, it is not. This project relies on other industries being attracted to the site, and other projects being developed at sites such as Koolanooka and Blue Hills. As a commercial project this could be a success or a major failure. The Government is limited to infrastructure costs and commercially the project is reliant on other industries. We are back to a chicken and egg situation: Will industry move to the mid west without this industrial site and facilities, or will the site attract industry to move there?

This is a very difficult issue because we can recognise the commercial benefits to the State by going ahead with the proposal. Our concerns are based on the lack of community consultation; the lack of accountability features; the fact that this project is being put through as a state agreement Bill; and the lack of opportunity for discussion. Under the guise of commercial confidentiality, a veil of secrecy has been drawn across the venture. The best way to allay fears of government financial involvement is to ensure that the financial aspects of the venture are properly scrutinised.

Hon N.F. Moore: Where is the veil of secrecy?

Hon HELEN HODGSON: The fact that it is being done through a state agreement Bill.

Hon N.F. Moore: It does not have to be done by a state agreement Act. It does not have to come here at all.



Hon HELEN HODGSON: I have heard that point of view. We do not approve, in principle, of that method of bringing these sorts of issues before the Parliament. They should be in a form where we can properly scrutinise each clause of the agreement.

Hon N.F. Moore: How else would you do it?

Hon HELEN HODGSON: We believe Parliament should have the opportunity to scrutinise. The manner in which the Government is handling this development smacks of WA Inc.

Hon N.F. Moore: I beg your pardon. What absolute rubbish. You had better substantiate that.

Hon HELEN HODGSON: We must ask a lot of questions. Who are the real beneficiaries of this project?

Hon N.F. Moore: Who do you think they are? Are you suggesting somebody else, rather than what has been put in the Bill?

Hon HELEN HODGSON: Is there a conflict of interest? Are there insider trading deals? Are there transfer pricing problems? How much will Western Australia really benefit? What are the community benefits? Will members of the community be employed or will they gain employment only through the multiplier effect?

Hon N.F. Moore: Why don't you substantiate some of this?

Hon HELEN HODGSON: We must compare the amount of the resource compared with the length of the venture. We have very mixed feelings about this project.

Hon N.F. Moore: Two bob each way, as usual!

Hon HELEN HODGSON: We understand the economic rationale behind it, but we have many concerns about the way in which the project has been put before the people of Western Australia.

Debate adjourned until a later stage of the sitting, on motion by Hon Muriel Patterson.

[Continued next page.]

#### **SITTINGS OF THE HOUSE - BEYOND 10.00 PM**

*Wednesday, 18 June*

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [9.20 pm]: I move -

That the House continue to sit beyond 10.00 pm.

*Amendment to Motion*

**HON BOB THOMAS** (South West) [9.21 pm]: I move -

To delete all words after "sit" and substitute "not later than 12.00 midnight".

I am told a number of speakers on this side who will speak on the Iron and Steel (Mid West) Agreement Bill will be particularly brief, and I understand a couple of members from the Government want to speak on that Bill. It is just after nine o'clock. I cannot see that we will need to sit much past 12 o'clock. It must be remembered that under the new sessional orders the House will sit again at 11.00 am tomorrow. A reasonable time is required between when we finish tonight and when we start again tomorrow for us to be refreshed properly and also for the staff to be able to perform their duties properly. It must be remembered that the Bill was introduced in the other place in March and that it has been in this place for five weeks. During that time the Government offered to defer one day of the Estimates Committee so that the Bill could be dealt with on that day. I do not see any necessity for haste with this legislation. The Opposition believes that sitting past 12 o'clock is not necessary.

**HON J.A. COWDELL** (South West) [9.23 pm]: I support the amendment.

Hon N.F. Moore: If it is any help to you, I will go along with the amendment. If you are going to make a long speech, we will sit here all night arguing about this.

Hon Tom Stephens interjected.

Hon N.F. Moore interjected.

The PRESIDENT: Order! The Leader of the Opposition and the Leader of the House can leave the Chamber if they want to discuss something of mutual interest to them. The Chamber is listening to Hon John Cowdell.

Hon J.A. COWDELL: I merely wish to say that on this occasion extending the time to midnight is more than reasonable. It will probably bring us to the conclusion of the second reading debate on the Iron and Steel (Mid West) Agreement Bill. Many of us have sat in this Chamber and heard the Attorney General argue eloquently that no good legislation can be passed after 11.00 pm. We have been persuaded by his argument over the years, although he has not seen fit to implement such a closing time. For those reasons I support the amendment.

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [9.25 pm]: The Government will go along with the amendment. I have argued for some time that having a set closing time creates its own difficulties; it takes away a certain degree of flexibility. For example, if Hon Kim Chance is speaking at 11.55 pm and he is making a pertinent point, the House will stop listening to him because members will go home. That flexibility is important in this House because sometimes people take more time than they expect, and others take less time than they anticipate. It is difficult to work out when a motion will be finished. However, if the House wants to say that 12 o'clock should be the limit tonight, that is fine. I assure members it was not my intention for the House to sit until 1.00 am tomorrow. I have been working hard for the past few days and I do not want to sit here all night.

Hon Tom Stephens: Why didn't you make an arrangement with us before this?

Hon N.F. MOORE: I moved a motion that the House sit beyond 10.00 pm on the basis that we would use the flexibility that provided to get as much done tonight as possible and to go home at a reasonable hour. However, the Leader of the Opposition wants to be the Leader of the Government. We see another example of his trying to run the House. We will sit here and let that happen. The Opposition can move its amendment and the Government will go along with it. If that is the way the Leader of the Opposition wants to operate, there can be no agreement between the two of us.

Amendment put and passed.

Question (motion, as amended) put and passed.

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

#### *Second Reading*

Resumed from an earlier stage of the sitting.

**HON GIZ WATSON** (North Metropolitan) [9.27 pm]: The Greens (WA) support downstream processing and clean green industries to assist with employment in this State. How many members here have been to Oakajee? A few members have raised their hands. I have been there and I have looked at the site in detail. I also have spoken to many people in Geraldton who have concerns about that proposed site. I have taken the time to hear the concerns of the crayfishers about a deepwater port in that area. It is critical that when Parliament makes decisions that concern these communities, every member take the opportunity to seek all the opinions that are available on the issue.

The major concern that has been put to me about this proposal is the siting of this heavy industry on the coast. The value of that coast for a heavy industry site is one factor. That coast has value for numerous other opportunities, whether they be residential or recreational, or perhaps even for its current use; that is, its conservation value. I will talk particularly about the debate surrounding Narngulu and Oakajee as proposed sites. In the second reading speech the Minister states there was a problem in that the iron and steel plant would fill the available airshed in Narngulu and the plant would come close to exceeding the noise limits for the site. Kingstream Resources NL and the Environmental Protection Authority responded to that concern. Although the levels of nitrogen dioxide provided in the consultative environment review do not occupy a significant portion of the current airshed in Narngulu, those levels are considered to be extremely conservative estimates of the actual levels that will be produced by the plant. It seems that the airshed will be able to cope with the additional nitrogen dioxide.

Noise modelling has indicated that noise levels at residences in close proximity to the plant will be within established guidelines. Noise levels at residences have been decreased in comparison with the original proposal through the reconfiguration of the pellet plant. Therefore, at least two of the arguments about the unsuitability of Narngulu as a proposed site have been addressed by both the proponent and the EPA. The EPA has approved Narngulu as a site for the steel mill.

The second matter I will raise relates to the incompleteness of the environmental impact process; in particular, the port study that was available for public comment. That public comment closed three weeks ago. The EPA has not approved, or otherwise, the deepwater port. Even if the EPA gives approval, a public appeals process must still be followed. Therefore, no judgment has been received from the EPA on whether this deepwater port will have a significant environmental impact. Having read the CER, which is a highly inadequate document that was obviously put together in a great deal of haste, I am of the opinion that impact is highly likely. The likely impact of a deepwater port at this site is a radical change to the movement of sediment along the coast. The crayfishing industry has extreme

concerns that it will affect the viability of its operations in that area. It will also require ongoing maintenance dredging, and disposal of the dredging spoil is a concern. It is a very large project that necessitates very careful examination of the environmental impact on the whole Geraldton coastline. It is totally inappropriate that we pass a state agreement Bill that will put pressure on the Environmental Protection Authority to approve the deepwater port.

I have had discussions with Department of Resources Development officers and read its 1996 annual report, which contains a flow chart of the procedure that it follows for project development processes and which states specifically that environmental processes and all feasibility studies will be complete before state agreement legislation is passed. That is not what we are witnessing with this agreement Bill at this stage.

The other incomplete environmental impact assessment processes include the assessment of the service routes and consideration of power supplies and aspects of the port development such as access to limestone and other major materials required for a project of this scale.

Another concern in relation to the environmental impact assessment process is that the proponents are being given a number of approvals under the various sections of the project. The whole process has been exceedingly piecemeal and the community of Geraldton has been asked to consider this project in small segments. It is of great concern that one minute it is considering Oakajee as a site and the next it must consider Narngulu and then a port. It is very confusing because the community cannot look at the project as a whole.

In addition, the proponent is being allowed to use environmental management plans, which are not subject to public review in the same way as consultative environmental reviews. That is not the correct way to proceed.

I mentioned the Geraldton community's opposition to the site. It is opposition to Oakajee as a coastal site rather than opposition to a steel plant per se. A petition containing 3 500 signatures was presented in 1994 and it has not been taken on board. That is also of great concern.

A 1995 study into the port and industrial site found that there was no requirement in the short or medium term to expand existing port facilities. If that finding was made as recently as 1995, one must question the whole push for a major port facility and whether this is premature.

Another issue raised with me by people in Geraldton is that, if the port facility does not go ahead, the current arrangement allows Kingstream Resources to transport steel through the town site. That is a major concern and the reason Narngulu provides a better pre-existing service corridor into the port. People are very concerned that if the steel plant at Oakajee goes ahead but the port does not for various reasons, whether they be financial or environmental, they will be left with numerous truck movements through the town and that they will have no recourse to change that situation.

State agreement Acts tie the community of Western Australia into exceedingly long term arrangements. I do not believe anyone here can say that he or she knows what the situation will be in 63 years, which is the life of this legislation.

I refer members to an existing state agreement Act between Cockburn Cement Ltd and the Government in relation to shell sand dredging in Cockburn Sound. This operation was subject to a court challenge as to whether the EPA was correct in advising that the impact of the operation was environmentally acceptable. EPA and the Minister lost that case and the operations were found to be environmentally damaging. However, Cockburn Cement Ltd continues to dredge in Cockburn Sound. It states that it can do so because it has a state agreement Act. Therefore, I question the notion that the Environmental Protection Act always takes precedence over a state agreement Act. I am concerned that state agreement Acts allow that scenario. The community expects that environmental protection will take precedence in such cases.

**HON LJILJANNA RAVLICH** (East Metropolitan) [9.37 pm]: This Bill ratifies and authorises the implementation of an agreement between the State, An Feng (Australia) Pty Ltd and Kingstream Resources NL relating to the establishment and operation of mines, plants and ancillary facilities in the mid west region of Western Australia to mine and process iron ore into steel and other value added products and the investigation of the feasibility of establishing a port and associated industrial estate at Oakajee.

In my maiden speech some time ago I made it clear that I support value adding and downstream processing. This Bill is designed to do both of those things and therefore I applaud it in principle. However, that is not to suggest that I have no problems with it. I do have problems or reservations relating to some aspects of this Bill. They are the high level of foreign ownership, the level of government funding to support the required infrastructure and - probably the area with which I have the greatest concern - the rather weak local content provisions and the subsequent employment opportunity costs.

On the face of it, Australia, and Western Australia in particular, should be the world's major steel producers and exporters. However, due to a range of factors - primarily our inability to raise the local capital required to support the infrastructure for the establishment of steel mills - sadly that is not the case. We are reliant instead on foreign capital to give rise to major resource development projects in this State, with Kingstream Resources being no exception. As you will be aware, Mr President, this is a \$1.4b project based on using low cost iron ore and gas in Western Australia to produce cheap steel slabs to be supplied to an established Taiwanese steel mill. It marries the iron ore company Kingstream Resources, with the rolling mills of the Taiwanese company, An Feng. Under this contract of marriage An Feng will be a long term buyer of raw steel slabs to feed its rolling mills. An Feng has contracted to buy 2.4m tonnes a year of steel slab from this project, generating an expected export income of more than \$750m. A notable feature of this arrangement is that it gives rise to a ready made market. In doing so, it sets a precedent for an arrangement in the establishment of a secondary industry base with a ready made local market in Taiwan.

The fact that this will be the first steel mill in this State with such a high level of foreign ownership is some cause for concern. I am of the view that the Government should have given stronger indications at an early stage of this project's development that it was prepared to underwrite the infrastructure to the tune of between \$300m and \$400m. Had it done so it could have been able to generate a higher level of local financial interest for the project. Instead as a result of the fact that it did not, we see a situation where the Taiwanese group holds 82 per cent of the expanded capital base. That is exceptionally high. That should be a cause of concern for all Western Australians. It is something we should not duplicate in the next arrangement that we make with another organisation.

The second area I will comment on is infrastructure. The Minister in the other place said that the sum of \$300m or \$400m is an estimate and he does not have any idea of the final figure for government support for infrastructure of this project. My concern is that the taxpayers of Western Australia are not left to foot the bill for something for which the Government does not know the final amount. That should be an area of concern for all Western Australians, and for Western Australian taxpayers in particular.

I will now concentrate on employment opportunities for Western Australian workers. That area is dear to me. I look around and see all the lost opportunities, in particular, lost employment opportunities.

Hon E.J. Charlton: Especially if they are on workplace agreements. There will be some new opportunities.

Hon LJILJANNA RAVLICH: I will dismiss that remark because it does not warrant any comment.

The Western Australian mining industry has an employment multiplier of 3 per cent, which is not particularly high when compared with the building and construction industry which has an employment multiplier of about six. That is, for every job directly created in the mining industry another three jobs are created as an indirect result. The reason the resource sector does not have a high employment multiplier is because we do not value add and downstream process. As a consequence most of the resources go offshore in their natural form. That is of great concern to me. It has been happening for too long. We have just been digging it up and exporting it, and most Western Australians would agree that is not good enough. It results in fewer jobs being created locally and major employment opportunities going offshore. This Government should be reminded that resources in this State are finite, so it is very important we manage the future development of those resources to ensure that we do not replicate the mistakes of the past. The Government has a responsibility to ensure that Western Australians receive the maximum long term benefit, including employment benefit, from resource development. Given the mining industry's relatively small direct employment in operations, it is vital to this State's future that we maximise construction and maintenance employment through local content policies and create more direct employment through downstream processing. Every effort should be made to downstream process, value add and keep work in this State to stem the flow of benefits going offshore.

As members will be aware, construction on the plant is due to commence later in the year with production expected to commence in 2000. It is anticipated that in total 3 000 jobs will be created, 2 000 of which will be in the construction phase and 1 000 in the operational phase of the project. Although these jobs will be welcomed by Western Australians, and no doubt they will be very welcome by the people in Geraldton, the Government should have been in a position, given the extent to which it has underwritten the infrastructure of this project, to have negotiated better local content provisions. I am somewhat concerned that it did not. For example, I am advised that many core components for the plant construction phase will be imported to ensure that quality control of component parts is guaranteed. This means yet again that core components which possibly could have been manufactured in Western Australia if we had a stronger secondary industry base will not be delivered from Western Australian industry or workers, but from overseas. Some people would argue that core components must be imported because we do not have a manufacturing base to produce them. They are right. It is an argument that I cannot refute. However, it is a problem that we must address in the longer term.

In my maiden speech I spoke of the need for an economic growth plan. I did so because everywhere I look I see lost opportunities. Here we have an enormous employment creation opportunity that will slip through our fingers in this State. As a State we must look at strategies to promote the establishment of manufacturing base and import replacement industries if we are not to go down the same track next time another major industry is established here. We must also look at the long term infrastructure and capital supply issue and ensure that we have a skilled labour force locally, so we are not reliant on foreign labour.

Western Australia must have a plan to promote downstream processing opportunities so we can get the full benefit from our resources development. We must have a plan to factor in environmental and other considerations. A strong local content policy that sufficiently protects the interests of Western Australian companies and workers would be an integral part of an economic development plan.

In my view the local content provisions in the Bill are not strong enough. All project developments operating under state agreement Acts are bound by standard local content provisions to use Western Australian or Australian labour professional services where practicable and to ensure that Western Australians and other Australian suppliers are given a fair and reasonable opportunity to tender or quote. This iron and steel agreement is no different. I argue that "where practicable" is not quite strong enough.

Hon N.F. Moore: What should it say?

Hon LJILJANNA RAVLICH: I do not know what it should say, Minister. Clause 15(1)(a) of schedule 1 states that except in those cases where it can be demonstrated that it is impracticable to do so the proponent shall use labour available within Western Australia or, if such labour is not available, use labour otherwise available within Australia. It goes on to say, "as far as it is reasonable and economically practicable so to do". This Bill does not provide a stringent requirement for the project to use local content, but it provides the opportunity for labour to be imported, and that is a concern to all Western Australians. Given that Western Australian taxpayers will be contributing between \$300m and \$400m, or more, the Government could have done a hell of a lot better than that. I am very disappointed with this aspect of the Bill.

Hon N.F. Moore: I asked you for an alternative, but you don't have one.

Hon LJILJANNA RAVLICH: I am terribly sorry, but I make the point that given the investment by Western Australian taxpayers, the provisions of this clause should have been tighter.

Hon N.F. Moore: Regardless of the costs you believe we should have local content.

Hon LJILJANNA RAVLICH: I have made the point that given the investment by Western Australian taxpayers, they should benefit from the project.

Hon N.F. Moore: You are saying that it should be total local content.

Hon LJILJANNA RAVLICH: I did not say that and the Leader of the House should not put words into my mouth. That is not the point I am making. The Leader of the House has been in this place for 20 years, surely he understands.

The PRESIDENT: Order! I ask the Leader of the House not to interject. If Hon Ljiljanna Ravlich directs her comments to the Chair, we will make some progress.

Hon LJILJANNA RAVLICH: The provisions in the Bill pertaining to local content are not strong enough and the Government could have done a better deal on behalf of Western Australian workers and industry. In addition to ensuring that Western Australian jobs and workers are protected the Government must ensure that this State has a skilled labour force to meet the demands of the Kingstream Resources project. Members have a good idea of those requirements. They are aware of the requirement for 3 000 workers. It is important for the Government to ensure that trained people are available to work on the different stages of the project's development. If the Government were prepared to commit resources to training, there would not be a necessity to import foreign expertise.

Mr President, I draw your attention to the Worley report, which was released in March 1997. It examined the skill requirements of major Western Australian resource development projects. My notes indicate that the report stated -

Western Australia is undergoing its biggest surge in resources development . . . if the committed/likely projects are to go ahead in the manner reflected in the study, the peak requirement from mid-1998 through to mid-2001 is estimated to be for an additional 6 000 persons.

It is a substantial number of people. I presume that these figures factor in the labour requirements of the Kingstream project, although I cannot be sure of that.

Hon N.F. Moore: Which report is that?

Hon LJILJANNA RAVLICH: It is the second Worley report. The report also indicates that there will be additional demands in certain trade areas. For example, it indicated that between 1997 and 2000 the project would require 1 220 process-plant operators, 1 260 mechanical fitters, 300 boilermakers and 600 instrument-electronics fitters.

With reference to how this Government will solve the problem of the shortage of skilled workers, the Worley report recommended that the Government allow overseas migration through the issue of temporary work visas. This recommendation is totally unsatisfactory and it would not be right for the Government to go down that path. It would be a betrayal of the unemployed workers in this State. There is sufficient lead-up time for the Government to ensure that Western Australian workers are trained in the skills that will be demanded by the Kingstream project. There is no excuse for importing foreign labour into the mining industry.

To recap, my four areas of concern are, firstly, that the first steel mill in the State will have a very high level of foreign ownership; secondly, the extent to which the Government will underwrite the infrastructure of the project is very high; thirdly, that Western Australian taxpayers will be left to meet the bill on this project; and, fourthly, that stronger local content provisions are not contained in the Bill to ensure that the interests of Western Australian industry and workers are better protected. The Government's training agenda should be adjusted to provide the level of skilled workers the project will demand.

The State must move towards the development of a secondary industry base and value add its resources. This project signals a new era for Western Australian industry and its major strength is that it has a ready made market in An Feng (Australia) Pty Ltd. This is a strong positive for the project and I support the Bill.

**HON M.J. CRIDDLE** (Agricultural) [9.57 pm]: I live in the area in which this project will be developed and I often drive past it. I have been involved in the project since it was to be established on a site in Mullewa. At the outset, I advise the House that I would prefer the project to be developed inland rather than at Oakajee because it would assist in the development of the hinterland. I often hear people say that the mill must be on the coast. I am reminded of the countries which are landlocked and have similar industries, and I question that argument. This area needs projects of this magnitude. The development in the area has been slow and has been based on primary industry - grains, lupins and sheep. Recently, there has been a move to horticulture and aquaculture. However, that development has taken time and the businesses in Geraldton are suffering; they need a project like this to kick them along.

I favour industrial development inland, but industry has chosen to develop along the coast. In spite of favouring an inland port I have made sure that the environmental reports have been well and truly scrutinised. It is essential that a pristine coastline be maintained for lobster fishermen and tourism. Discussions have been held about whether the Geraldton port is necessary or whether another local port could be developed. Certainly Co-operative Bulk Handling Ltd, RGC Mineral Sands Ltd and other port users made it very clear they wished to continue at the local port. To that end we must develop the southern rail access corridor to carry the large increase in transport to the port while the port in Oakajee is developed if this project goes ahead.

The simple fact is that Geraldton is a port town; it is built around a port. It has a fishing industry and exports grain and mineral sands.

Hon E.J. Charlton: And that port will stay there.

Hon M.J. CRIDDLE: It will. As I said, an access corridor is necessary to make that port usable. If that is not built the heavy movement of trucks will create a problem. It will also assist with the removal of the railway along the coast, which I think is essential. Other people have different ideas, but I think it will help the town flourish. Having said that inland will miss out, that is not entirely true because I understand 150 workers will be stationed in Mullewa, and 20 will live at the Tallering Peak minesite throughout the mining stage.

That will require further development of the rail link between Mullewa and Geraldton and the development of a new rail link between Narngulu or Moonyanooka, north to Oakajee. As can be expected, some of the farmers have concerns about the route that will be taken. As we know, with progress someone always loses and someone always wins. By and large the issues have been well canvassed.

I appreciate the need for 3 000 workers in the construction phase. Hon Giz Watson referred to the need to use local people. Recently we had to bring in 300 tractor drivers just to put the crop in. Local people can get a job if they want to get off their backsides and learn some of the basic trades. However, it will be necessary to fly in some people to assist with the development of the project.

I am excited about the development of industry in the area. I make no apology for my thoughts on this matter all the way along. A group in the area is talking about inland industry. However, this group wants to develop the area on

the coast and we must work around that as best we can from an environmental point of view by ensuring that tourism and the fishing industry are not adversely affected. It is vital the fishing grounds remain in a pristine state because of the huge advantage of its overseas markets.

I do not want to see the State exposed to any extreme in raising funds for the project. The project must be viable and the finances must be scrutinised to the nth degree to ensure that funding is done on a very secure basis. By and large I will be very pleased to see this project go ahead. Although I have my reservations about some areas, it will be a huge advantage to the area. I compliment the Minister on its progress.

**HON KIM CHANCE** (Agricultural) [10.04 pm]: Like other members, I not only support this agreement Bill I also support it enthusiastically. The reasons may be obvious given my interest in the mid west. My office is in Geraldton, which is an important part of my electorate. However, my enthusiasm is not entirely parochial. It generates from some of the issues mentioned by Hon Giz Watson. She expressed the view of the Greens (WA) members that value adding is something we have been seeking for a long time in Australia generally. However, we seem to be getting further away from our target in balancing exports of raw material with exports of value added material.

If that is a comment about Australian industry generally and Western Australian industry in particular, it is most relevant to the iron ore industry. I make that point because I am not being singularly critical of any one Administration in Western Australia. Over many years we have allowed the existing iron ore companies such as Broken Hill Proprietary Co Ltd, Robe River Mining Co Ltd and Hamersley Iron Pty Ltd to operate in a manner contrary to their agreement Act, most of which have been made with Labor Governments. It has left us enjoying the easy life; that is, the export of a high grade mineral, which is in such quantities it would be an understatement to call it bountiful. We have huge quantities of high grade iron ore in reserves, possibly matched only by Brazil.

The price for which we send that material overseas is a national disgrace bordering on economic vandalism. The rate at which we export what is to us bountiful, but by world standards a rare mineral given the scale it is required, is a rate which can obviously not be maintained forever. We are sending out in large quantities the birthright of future generations of Australians.

Rarely is this syndrome more clearly expressed than an iron ore mine which is far from the Pilbara, rather closer to where I live - Koolyanobbing in the Yilgarn. Portman Mining Ltd exports the remaining ore body at a price which, when taking into account the rail freight component - expressed not at the contract rate which Portman pays of about \$11.50 a tonne - for either a 578 or 587 kilometre rail haul out of Koolyanobbing to the Port of Esperance, predicated out at the price for grain freight, another large commodity which Westrail hauls, would be \$35 a tonne, which is \$9 more than the price for which the iron ore is being exported. It is a ridiculous situation.

Hon E.J. Charlton: The major difference is that it is from one point to one point on standard gauge. I always had the same thought as you.

Hon KIM CHANCE: I do not have to be convinced that it is economically viable for Westrail to transport at that price at the margin. I mention that to illustrate the very low net return our nation receives from the export of iron ore.

I pay full credit to Nik Zuks, Ken Court and Julian Grill who, in the early years of the project, played a significant part. I also pay credit to the people who have worked in the Western Australian Government in the parliamentary arena - for example, the Minister for Resources Development - and within the department. An officer from the Department of Resources Development is in this Chamber tonight, and he has played a significant part in the progression of the Kingstream project.

It is a huge commitment for a little company such as Kingstream - to call it a little company with a partner the size of An Feng may be an exaggeration; but it is a newcomer in the industrial and mining field - to state that it can do what BHP and Hamersley Iron failed to do, and that it can be done in the first stage of the development. It is a huge commitment to say that it can take iron ore and virtually on site export steel as slab. As a Parliament, and as individuals, we can only stand back and applaud. I do not want to hang on the subject, because it has probably already been addressed by other speakers. If this project does nothing else but encourage BHP, Robe River Associates and Hamersley Iron to get off their highly polished chairs and begin to do something about developing our resources - acknowledging that BHP has made a start, and I welcome that - and sets an example for others who have had the privilege of mining this bountiful commodity for so long, Kingstream will have done us a great national service.

We will always have dispute about the site of an enterprise of such physical and industrial magnitude. We have not finished arguing the point, because the agreement Act does not decide the location of the site. We have a long way to go before we reach that point. My preferences lie somewhere alongside those of Hon Murray Criddle. I acknowledge the financial imperatives which have decided on other locations. If I had a choice, the site of

manufacture would have been Mullewa. In the early stages, the people of Mullewa looked forward to that happening; they have reluctantly accepted the reality.

When I saw the first set of figures produced by Alan Tingay which outlined the capital cost of establishing the works, the projected works were to have an output of 1 million or 1.5 million tonnes a year. The later figures may have churned out a different result. I was ready to acknowledge that the Mullewa site was uneconomic when compared with the Narngulu site, in particular. It is interesting that the Oakajee site did not polish up all that well. However, although the Mullewa site was expensive to establish, one of the cheaper sites was Eradu, which is roughly half way between Mullewa and Geraldton. That site would have been relatively cheaper because that is where the natural gas pipeline is, and it would have saved some infrastructure costs. There was also a degree of synergy in other arrangements; for example, the site was readily available to the existing railway line.

I suspect that Hon Murray Criddle knows more about this than I do, but I was told that when the projections for the sites were expanded to between 2 and 2.5 million tonnes a year the Eradu site became less competitive cost-wise. I have not seen the figures. Hon Murray Criddle tells me he has been unable to obtain the figures. Therefore, we are both left somewhat in the dark. The final decisions will not be made now or consequent to the passage of the agreement Act but some time later. I hope when they are made we will be able to see the figures so that I can understand why Eradu is not a site which could still be explored.

My party was committed to Oakajee during the election in 1993. Obviously my view then was that Oakajee should continue, and I expressed that view publicly and privately. I held that view at some political cost, because the result of holding that view was that Green preferences in my electorate went to Hon Murray Criddle. Subsequently, during the last election, an Independent ran against the Labor candidate, principally on an anti-southern transport corridor ticket. We managed to lose his preferences as well, because we were unable to assure him that we would never support the southern transport corridor. It was clear to us that had Kingstream made a decision to locate at Narngulu, the southern transport corridor would be necessary. We could not guarantee that we would not support the southern corridor; therefore we lost the 10 per cent of votes he received and which could have won the seat of Geraldton. A political cost is that we must live with our conscience and we must tell the truth; it would become awkward if we were caught not telling the truth.

Hon J.A. Scott interjected.

Hon KIM CHANCE: I do not think that the truth varies. The truth remains the truth, and an untruth remains an untruth. We must live with our standards.

Hon E.J. Charlton: Hon Kim Chance may be in a position to make those decisions, but some other people may not.

Hon KIM CHANCE: If and when the time comes to make those decisions, I hope we will be able to make them with a clear conscience. These are important matters. Although they may seem unrelated to the Bill, they are important, because the influence a development of this size has on the infrastructure of the region is almost impossible to explain to people who are not familiar with the dynamics of a small community when it is affected by a development of such size. When an issue as relatively unimportant as the siting of a railway line can swing an election, we require a little maturity in our decision making. Sometimes one of the great benefits of being in opposition is that one can dodge making the decision!

Hon N.F. Moore: At least you have some prospect of being part of a Government. Therefore, what you say and do could come back to haunt you. Some people need never worry about that.

Hon KIM CHANCE: But they must answer to the people who trust and elect them. I make no criticism of the decisions they make.

Hon J.A. Scott interjected.

Hon KIM CHANCE: We must consider all the alternatives placed before us. Everyone has a valid point of view on the matter. I will briefly run through some of the concerns others have expressed, and that I held until the briefing of the Australian Labor Party by officers of the Department of Resources Development. One was that by committing ourselves to support for this Bill we would in some way lock ourselves - or, more importantly, the taxpayers of Western Australia - into some undefined future liability. I became convinced, as a result of the briefing, that the agreement Act and some future state commitments, which might involve that undefined liability, are not connected in any way. I am satisfied of that. Those decisions will be made after this Bill comes into effect, and the Parliament will be involved in those decisions. They are the really tough decisions. The decision today is an easy one. We are indicating only that this resource will be open to be used under the terms and conditions of the agreement Act.

Some of my colleagues expressed concern about the length of time of the agreement Act. It is for 63 years, which is three times the standard 21 year agreement. I am told it is not unusual for multiples of 21 years to be granted, but



I gained some confidence in the project from that 63 year projection. If this plant can be established, and that is not a certainty by any means, it has a future capability of employing people in the mid west for 63 years and long beyond.

I am sure the Minister for Transport has seen figures on the transport dynamics, and the figures for iron ore coming south from the Pilbara are not now impossible dynamics. Certainly they will not be impossible in the future. One of the strange things about engineering is that the cost of engineering in real terms becomes cheaper every year, and that application may well have a huge impact in future in the mid west. It is our responsibility at this stage simply not to stand in the way of that potential development.

I would like to say much more on this general issue. However, this Parliament has before it a unique opportunity. It is not a uniquely good opportunity and I am the first to recognise that. A few days ago I spoke to a friend of mine who is a rock lobster fisherman in the region. During the white season he puts 80 per cent of his effort into a reef which is exactly where the breakwater will be located. Hon Murray Criddle may have spoken to that person also, who is from Kalbarri. That fisherman, strangely, does not oppose this project. He understands the region must develop. He would like to know what effect this development will have on the resource from which he and a number of others in the area make a living. In the same way, the people who use the area for sailboarding and other purposes have good reason to want to know the impact this project will have. We all want to know that, and the hard questions are still to be asked and answered. At this stage I support the agreement Act with enthusiasm.

**HON M.D. NIXON** (Agricultural) [10.24 pm]: I support the Bill. It provides for one of the most exciting projects in Australia today, and I am told it is probably the largest under consideration at this time. All Australians should be concerned about the balance of payments in this country. Australia is \$20b a year in the red, and that can be turned around only by major projects coming on stream. To put the matter into perspective, we need four or five industries as big as Australia's largest exporting industries, without importing a dollar's worth of goods to produce that export, or another 15 industries as big as the next 15 biggest industries without importing anything. It is a good hope, and it will be very difficult to achieve. We must give high priority to those types of projects which may bring this turnaround in Australia's economic fortunes.

There are many great things about this project. It could be aligned to the Kwinana strip, and it will probably have a similar effect on Western Australia. It is interesting to note that if the Kwinana industrial area were being established today, most people would agree that it would be better located north rather than south of Perth, because of the prevailing winds. Although modern industry is probably cleaner than industry was 20 or so years ago, there is no doubt that environmentally the best place to locate industry is north rather than south of Geraldton. Constructing a new port to deal with the huge tonnages involved in a project this big will not pose any greater risk to the rock lobster industry than exporting that tonnage from an old port. We must be mindful of the fact that Geraldton has been limited for some years by the size of the ships that can use that port. A project of this size will be needed to enable any economic change to the port facilities. Governments must always take a long term view, and this project will give Western Australia an opportunity to take a long term view and establish an industrial area well away from the town of Geraldton. From that will come not only this steel industry but also associated industries that will use the same facilities. It will provide a catalyst for increasing the transport network throughout the mid west, and in turn it will benefit the farming and mining industries.

The most damaging social impact in the region at the moment is the high unemployment rate, particularly among Aboriginal people. A project such as this will provide employment opportunities that could help solve some of the other social issues in Geraldton. It is certainly true that Mullewa would have liked the full benefit of this project, but we must be realistic. Australian industries must be competitive and if one goes too far and sites a project in a certain place because somebody will benefit from it, rather than siting it in the most economic location for an industry, in the end there will be no industry. Newcastle is an example where BHP wasted many years of opportunity and protection in not utilising modern technology to achieve a world class industry on the other side of Australia. We must be mindful of not making the same mistake in Western Australia.

One of the great aspects of this project is that it will not be a fly in, fly out project because the fringe benefits tax and other forces encourage people to use capital cities as their base. That applies not only to the capital cities of Australia but also to capital cities throughout the world, which are used as a source of labour for Western Australian mining personnel. This project will use locally based labour, and that is a major achievement. It will do so because the social infrastructure is in place in Geraldton. People need to educate their children and they need good health facilities. This will work both ways. As the basis of these facilities is already in Geraldton, people working in this industry will go to Geraldton and as they do so the standard of those social amenities will improve. Turnover and throughput are needed to develop those social infrastructures.

This is one of the great projects of Australia. Hon Kim Chance has said this Bill does not commit the Government, but it is another step. Six years have been spent getting the project to this stage and it has every possibility of

succeeding. This agreement between the Government and the proponents means both can continue their studies. It does not mean the environmental controls will go out the window, but both groups can continue to work to make this project a reality. It is essential for Western Australia and Australia that we give it every possible chance.

**HON NORM KELLY** (East Metropolitan) [10.30 pm]: Firstly, the Australian Democrats unfortunately cannot support this Bill at this stage. The Democrats are definitely not anti-development, but this proposal involves a number of factors. As other members have mentioned, the development has enormous potential benefits for this State. The promotion by the Government is that the proponents will achieve ongoing development in value adding our raw materials, which is definitely a good step. As Hon Kim Chance said, a steel industry has been a long time coming in our State and given our abundance of natural resources, one must question why.

With the development of value adding industries, we must ensure we have strong environmental controls, open community debate and the proper assessments of the costs of such projects. Although the assessments have been instigated, large questions remain to be answered before full parliamentary approval should be given to the project.

It is good to look at what stimulus this project will bring to the mid west region. Firstly, jobs will be created. Some estimates are for 1 000 permanent jobs to be created once the mill and minesites are up and running, although other estimates are for 500 or 700 jobs maximum. Either way, it will be a good boost to the region. Also, it will provide increased diversity of industry in the region, which presently has such activities as tourism and fishing.

Before this development proposal receives parliamentary approval, and a funding commitment from the public purse, we must ensure that social, environmental and economic costs are assessed. If this assessment is not based on the final figures, we must know the fullest facts possible before we give our stamp of approval.

My concerns fall into two broad areas: First, the use of state agreements generally and the restriction these place on scrutiny and assessment in the Legislative Council as they are a severe restriction on our duty in this place. Second, environmental and social issues are a broad concern not only for this specific proposal but also in their implications in a large industrial estate and deep water port in the mid west region. The state agreement process deliberately bypasses the proper environmental assessment, community consultation and parliamentary review of such proposals.

Hon E.J. Charlton: That is still all to come. It is a matter of timing.

Hon NORM KELLY: I can take that on board. When is the right time for Parliament to say yes to this proposal? The Democrats have not been sufficiently satisfied to give full approval.

Hon E.J. Charlton: Nobody knows the outcome of all the detail yet; it is still being gathered.

Hon NORM KELLY: That is why I argue that we should not give approval at this stage. The state agreement process denies the community proper consultation and input. I have spoken to people from the Geraldton area who have expressed concern to me that even at public meetings they cannot express concerns or obtain information in a reciprocal arrangement relating to local concerns. If the Government delved further into this proposal, it could find better community acceptance of the proposal through education.

Parliament should not operate in this manner. It could be more strongly argued that the situation we are facing smacks of WA Inc with its lack of scrutiny, accountability and openness. These are aspects the Royal Commission into Commercial Activities of Government and Other Matters and the Commission on Government denounced. Many of the factors which enabled WA Inc to occur in the 1980s are evident now in such proposals.

Hon N.F. Moore: Are you suggesting that such agreements should be negotiated between Parliament and the proponent?

Hon NORM KELLY: Parliament should have greater access to information before it gives agreements its stamp of approval. It may be a matter of timing, as Hon Eric Charlton said.

Hon N.F. Moore: You have had all the information you have needed and asked for. You're looking for a headline of "WA Inc".

Hon NORM KELLY: We are looking at the Government negotiating the deal with private business, a process which brought about the fall of the Labor Government. The damage that process did to the State as a whole was considerable and we are still undergoing the repair process.

As I mentioned in my inaugural speech, it was clear at the last election that people wanted the coalition Government returned for the next four years. However, they also made a clear decision that they wanted the Legislative Council as a House of Review to scrutinise legislation. We need to put in place mechanisms to ensure that we have the openness and freedom of information so the Government remains accountable to the people. I do not take kindly to Governments using state agreements to usurp the power of the Council.

Hon N.F. Moore: You don't understand what you are talking about.

Hon NORM KELLY: WA is unique in Australia in demanding ratification of these agreements in Parliament.

Hon N.F. Moore: Would you rather it did not come here?

Hon NORM KELLY: There are other ways of handling these proposals.

Hon N.F. Moore: How?

Hon NORM KELLY: I will go into those later. This type of development should be dealt with by Parliament. We are arguing not about semantics but the process of ensuring parliamentary scrutiny. The agreements should not be delivered to Parliament as a fait accompli, as it is not our job to be given the option of applying a rubber stamp or rejecting the proposal outright.

Hon N.F. Moore: Are you saying that we should negotiate the contract as a Parliament?

Hon NORM KELLY: There are so many aspects of the state agreement which the Parliament cannot amend. It is holus bolus. It is an all or nothing concern. Many concerns are evident with this agreement. I have spoken to various Ministers regarding the port, transport and environmental concerns. Therefore, the other place and the Council should be able to investigate areas in more detail. Hon Helen Hodgson referred to economic areas such as conflict of interest; transfer pricing; the degree of use of a local work force; the amount of resource to be mined; its viability; the rate of royalty paid; and the level of subsidies which are being guaranteed by this Government.

As Hon Kim Chance said earlier, a difficulty has arisen in finding solid estimates of the viability of the various sites as well. Again, it makes it difficult to come to a final decision on this matter.

Hon B.M. Scott: Should Parliament make the decision for the Government?

Hon NORM KELLY: I think the Parliament and the Government should work hand in hand to make the decision. Otherwise, we have total Executive Government, which the people have indicated they do not want.

This Bill has various benefits and the Democrats support the development of our resources. We want to ensure that our resources create as many local jobs as possible. We would prefer stronger guarantees that a local work force will be used and not an interstate or overseas work force. I believe there are still areas where that may occur.

We are bereft of information about the Government's long term plans for Pt Moore. As Hon Murray Criddle said earlier, companies such as Cooperative Bulk Handling and RGC Mineral Sands Ltd have expressed concerns about its long term future. I can envisage that a few years down the track when the deep water port at Oakajee is severely underutilised because of the early stage of the development of the industrial estate, the Government may downgrade services at Pt Moore and subsidise industries to locate to Oakajee, to the detriment of Pt Moore.

I am concerned also about the level of foreign investment. I can understand the need for a significant level of foreign investment, but what benefits will remain in Western Australia with 85 per cent ownership by An Feng and even more foreign ownership in the remaining 15 per cent?

We need to consider also the impact of this proposal on existing local industries in the Geraldton region. The crayfishing industry, which I am told is worth around \$100m per year, has serious concerns that this project may contaminate the marine environment. The ocean off Oakajee is a critical spawning ground for this industry. The industry is aware from the New South Wales experience of the contamination of oysters that even the slightest hint of contamination can have a detrimental effect on the industry. Even if the suspicion of contamination is not well founded, consumers react to any inference of contamination. The crayfishing industry has a positive economic and social impact on the Geraldton region, and although that alone is not sufficient reason to say there should not be a steel mill, it is a factor that we must consider.

Insufficient research appears to have been done on the effect of the proposed breakwater for the port on the Leeuwin current and local marine life. There is also a risk that ballast waters will introduce foreign species to the area. That is normal for any foreign shipping -

Hon N.F. Moore: Ships come into Geraldton already.

Hon NORM KELLY: I am not denying that, but we are increasing the risk. We should ensure that the viable fishing industry in that region is not put under added pressure.

Tourism is another industry that is growing in the region. The arguments between coastal or inland locations for a steel mill must take into account the need to protect our coastline, which has inherent value for the development of residential and tourism facilities, and whether we do need to locate more industries on the coast. Hon Murray Nixon

mentioned how Kwinana has developed into a significant industrial area. That is fine, but we should consider also the value of that land now had it not been developed as an industrial site. The same considerations apply to Oakajee.

One part of the tourism industry that must be considered is windsurfing. Windsurfing is a low impact, long term tourism opportunity that can be developed further. I am not a windsurfer, but I am told that the Geraldton region is one of the three top locations in the world for this activity. The windsurfing that occurs in this area is wave sailing, which requires the perfect combination of wind, waves and tides.

The Abrolhos, which is a natural resource along the lines of the Great Barrier Reef, must also be protected. Some of the marine concerns that I mentioned earlier may impact significantly on the Abrolhos as a drawcard for tourists. Because of the location of the Abrolhos, we need mainland-based hotels to support dive tours to that area, and these can be developed further.

There must be further assessment of these inland sites. Mooyoonooka is one site which Kingstream rated ahead of Oakajee in its site selection preferences. The EPA should assess inland sites such as that. The EPA has been heavily involved in assessing the viability of this project and has released a number of reports, such as the suspended report on the Oakajee industrial estate, the Narngulu report, the deep water port report and the Oakajee reports that have come out in the past week. Despite all these assessments, the overall impact of the establishment of an industrial estate and port in this region has still not been assessed. We need to move away from assessing a port on its own and a steel mill on its own and have a thorough environmental assessment of an industrial estate in this area; and if that environmental assessment is favourable, we can go ahead and develop this area fully for industry.

The suspended report on the Oakajee estate, which was undertaken by the former Labor Government, highlighted a number of important issues. The report states -

the proposed site is far from ideal for this land use. . . . the site characteristics, particularly in relation to groundwater management in the porous limestone bedrock, indicate that serious consideration should be given to alternative sites as the groundwater may become contaminated and flow to the coast. Relocation will protect the conservation value of the adjacent marine environment, the rock lobster industry, and the intrinsic value of the Batavia Coast.

The report also states -

The proposed Oakajee heavy industry park may not be considered viable by industry without the development of an adjacent port facility. The likely environmental impacts from an associated port facility could be very significant and wide ranging. These environmental impacts could be managed, although with great difficulty and cost.

It is interesting that the EPA has changed its tune since that original assessment under the Labor Government. I would like to argue the degree to which the concerns about and failings of the site at Oakajee which were pointed out in that report have been dealt with. From what I have read of the most recent report, there has been no adequate assessment of those matters, nor justification to continue with the project.

The three aspects of this agreement are the plan, the site and the port. Those aspects, including the future industrial use of the area, should not be assessed individually but collectively. The plants have been assessed only to a limited degree. The Environmental Protection Authority has stated that it requires more information on certain aspects including road and rail transportation, noise pollution, gaseous and particulate emissions, and water resources. We need to find out more about these issues before the project is approved. There has been no formal public assessment of the Oakajee industrial site. It has not been formally assessed because the EPA has determined that the site constitutes a plan and not a proposal under the Environmental Protection Act. Therefore, the EPA has given only SR16E advice to the Minister. I stress that the EPA has only advised the Minister, and no binding requirement goes with these assessments.

The proposal for the deep water port is being assessed by the EPA. Public submissions for this assessment have only recently been closed. The fact that the EPA is only in the process of completing its assessment draws attention to the incomplete stage of the review. Once again we should obtain more information before we approve the project.

I have already mentioned the lack of proper community consultation. There has not been sufficient feedback on the concerns expressed at public meetings. The Government is ignoring the sense of community that exists in Geraldton. That area has built up a group of diverse industries such as the fishing, grain, and mineral sands industries. The development of a huge heavy industry estate could severely impact upon these industries. I agree that the economic needs of this State must be addressed. As Hon Murray Nixon said earlier, we need projects to develop the State and to produce more income. However, we cannot let those factors override our social and environmental concerns for the community.

Overall the Australian Democrats must assess who will benefit from the project. As I said, there will be a maximum 15 per cent Australian ownership of the project; it will probably be closer to 7 or 8 per cent, so limited profit will be kept in Australia. Hon Helen Hodgson mentioned the issue of subsidies. How much must we pay to subsidise this project until other industries become involved? The jobs factor is still very tenuous. How many jobs will flow on? Any increase in jobs for Western Australians - whether they be in Perth, Geraldton, or wherever - will have a direct positive impact on the region.

The fact that the Minister in the other place mentioned that subsidies could be of the level of \$20m year as against \$5m a year in royalties should send out warning signals about this project and the net gain for Western Australians. Given also that we have not been able to get details on other industries that want to establish in the proposed Oakajee site we must question how long Western Australians will have to prop up this project until it becomes viable and self-sustaining. We have not been given satisfactory answers on those long term issues.

Finally, we must ask whether the Geraldton community will benefit. We must consider the societal impacts that such an industry would have. As I have mentioned, I am concerned that the other industries already established in Geraldton will be placed in danger by such a project. I would be happy to support this project at a later date when these concerns have been better addressed. However, at this stage unfortunately I am unable to support the Bill.

**HON J.A. SCOTT** (South Metropolitan) [10.54 pm]: During the previous debate on the motion to reclassify this Bill the Leader of the House severely misrepresented my position when he said that I was opposed to this project and gave the impression that I was against any sort of development. That is not the truth and not what I said.

I was excited when I heard that a steel processing plant was likely to be constructed in Western Australia. I thought it was an excellent idea. My concerns do not lie with a steel processing plant - far from it. Like my colleague Hon Giz Watson, I want to see the more profitable downstream processing occurring in this country, rather than our being a primary producer or a digger-upper of rocks to send away to other places to be turned into all manner of machinery. My concern is not so much with the Bill, it is the process so far. We are putting together a state agreement Act and arguing the rights and wrongs within this place before enough of the loose ends have been tied up in this process.

I know that the Government means well with this project. However, I remind the House that there was great excitement in this State at one stage about the Petrochemical Industries Co Ltd project. I am sure that the Labor Government of the time envisaged the construction of a petrochemical plant in this State that would greatly advantage the people of Western Australia. It is a terrible shame in many ways that that did not work out and became the basis for profiteering for some voracious business parasites in this neck of the woods.

Hon N.F. Moore: It sucked in a couple of politicians on the way through.

Hon J.A. SCOTT: Hon Norman Moore would probably agree with me that the intentions of the Labor Government were to get a plant up.

Hon Simon O'Brien: The purpose of the exercise was to write off a \$350m debt for Rothwells.

Hon J.A. SCOTT: This is exactly the point I am getting at, and why I am concerned about this process: The ends have not been tied up. We do not even have to look as far as the PICL project; we can consider the North West Shelf. Colin Barnett, the Minister who is promoting this project, has compared this project with the North West Shelf. I remind members that according to the Australian Bureau of Agriculture and Resource Economics, between 1985 and 1995 the North West Shelf accumulated a negative net value of \$11b. It not only did that through direct outlays, but also it caused a huge further loss in this State because of the very inefficient way in which our energy policies and systems were developed. That is why we needed the Carnegie report further down the line. Basically the North West Shelf project was supported at the expense of other business in this State. It pushed up the prices for energy throughout this State, and we ended up with a lot of secret deals for big users of gas in this State, because the State had promised through the State Energy Commission to buy 90 per cent of gas from that project whether it used it or not.

It would have bankrupted the State if vast amounts of gas had been sold immediately and eventually it was sold at a low rate. Of course, that was a well kept secret. I have tried to find out how much the larger consumers paid for gas at that time. That information was withheld from the people of Western Australia. I do not want that to happen in this instance.

I want a steel project to go ahead in this State, but it must advantage, not disadvantage, the people of this State. I do not want it to go down the path of the PICL projects or the North West Shelf.

I advise the Leader of the House, who believes I am being negative about this Bill, of the editorial of *The West Australian* on Friday, 21 March.

Hon N.F. Moore: It is a source of good advice!

Hon J.A. SCOTT: It said -

It is worrying that Resources Development Minister Colin Barnett, who has been driving negotiations, does not know how much the State-guaranteed support for the project - a joint venture between Taiwanese company An Feng and Kingstream - will cost taxpayers. What he does know is that the State is committed to picking up estimated annual operating losses of up to \$10 million for the port and it could be forced to pay for the \$262 million deepwater port and other infrastructure.

In a manner reminiscent of some of the best "don't worry about a thing, we know what we're doing" attitudes of the 1980s, Mr Barnett has said he is confident that any port losses will be recouped from royalties and payroll taxes and that the State will break even by 2005.

Further on it states -

The State's taxpayers don't want their Government entering into open-ended subsidies on their behalf with the promise that it will all be right down the track.

Tying up the loose ends and nailing down the State's commitment to new projects might take more time and effort but it is the sort of detail that is required of government in the second half of the 1990s. It is not so long ago that politicians like Colin Barnett and Richard Court were shouting down Labor governments for entering into similar open-ended arrangements.

We are concerned about the open-ended nature of this project. I do not want taxpayers to pick up the tab at the end of the day. I will be very pleased if this project in the mid west area is genuine, environmentally sound and socially acceptable. I do not want it to go ahead at the expense of either the taxpayer or the crayfishing industry.

I will quote from an article published in *The Geraldton Guardian* on Friday, 4 April which outlined the fishing industry's concern about chemicals and other noxious products that could pollute the mid west coastline. The article said -

Although the Fisheries Department has contacted the DRD to discuss possible compensation for the fishers, the Western Australian Fishing Industry Council (WAFIC) questioned the decision to develop potentially hazardous industries so close to the coast.

WAFIC chief executive officer Brett McCallum said there had been no formal discussion between the fishers and either department over compensation.

Further on it states -

"Compensation is not our preferred position - we prefer a situation where there is no removal of any fishing grounds at all.

"We have always maintained industry should be inland, not on the coast.

"When the Oakajee environmental document is ready we'll be pulling the various fishing industry bodies together to look at these issues and seek a formal response."

Further on it states -

According to figures provided by the Mid West Development Commission, about 50 percent of the State's fishing fleet is registered in the region with an annual catch worth over \$150 million a year.

I am sure that not all the catch would be adjacent to Oakajee, but obviously a lot of it is in that general region. The article continues -

The most valuable product - rock lobster - was worth about \$138 million and made up half of WA's lobster catch by value.

Unlike Oakajee, 80 per cent of the fishing industry is not in foreign ownership. It comprises a number of small businessmen who have a wonderful export industry which can continue to be run on a sustainable basis for as long as we are on this planet. It is a long term viable industry and a great percentage of its benefits ends up in the regional area in which the catch is caught. A large percentage of the people in Geraldton are either directly or indirectly employed by the fishing industry. Let us not underplay the value of that industry to the mid west region.

To highlight the fact that this agreement has not been prepared in the proper manner, I refer members to page 20 of the Department of Resources Development's annual report which shows a project approvals flow chart. It is broken

up into different sections. The first section is "Concept prefeasibility studies carried out". The second section is divided into two parts: Firstly, "Scoping of issues - led by DRD" and "Technical and economic feasibility study carried out". That section carries through to the fourth section. The "Scoping of issues - led by DRD" which is divided into "Environmental processes", "Native title processes", "Aboriginal heritage processes", "Planning process/local government issues", "Infrastructure issues negotiated", "Local content issues resolved" and "Other key issues resolved". Only after those conditions are met is a state agreement Act negotiated. In this instance most of these requirements have not been met. We are putting the cart before the horse. This is not the normal process suggested by the Department of Resources Development for the development of a new industrial estate. We are being asked too early to make this decision. Hon Norm Kelly alluded to this decision being made far too early. He was criticised by the Leader of the House, who asked whether the Parliament should be doing a financial deal with the developer.

Hon N.F. Moore: I asked whether the Parliament should be negotiating the contract. It was not a criticism, but a question.

Hon J.A. SCOTT: The Minister did not understand that Hon Norm Kelly was saying that this Parliament must know that the Government has undertaken an economic feasibility study to determine whether the State will make a profit or a loss in a broad range of areas and whether any environmental destruction will impact on other industries. We need to have some of that information that has already been sorted out by the Government and not have this given to us as a fait accompli. That is a perfectly reasonable proposition. None of that information has been supplied and we have been asked to make our decisions in the dark.

There is still considerable local debate in the Geraldton area about this site. Hon Norm Kelly pointed out that it was not an agreed site under a previous assessment, which found it lacking in a number of areas. Suddenly it is supposed to be okay. A newsletter was signed by G. Ingham and is entitled "Kingstream and Oakajee". It reads -

As you will know from reading the papers, there is now a push by the government to try to get Kingstream to go to Oakajee. This we feel would open the floodgates to locate further heavy industry on the coast, going against previous National Party policy and the wishes of a sizeable percentage of the local population. The government have actually stated that they would fund a port at that site which again contradicts previous statements that industry there would have to fund infrastructure themselves.

When I first heard about state agreement Acts I was told that the idea was that the Government negotiated such Acts on the basis that infrastructure would be provided by those companies, which were given favourable development terms. That infrastructure could be used by the general public of the State after the projects were put in place; for instance, if a company were to build a train line it might be used by the wider community. In this instance it seems to be the other way around; rather than the agreement Bill providing some infrastructure for Western Australian people, the agreement Bill is doing exactly the opposite. The newsletter continues -

The previous EPA report on Oakajee as an industrial site was suspended. Now there are to be three EPA reports on Kingstream, two at Narngulu for the different sized steel mills, and one for the larger sized steel mill at Oakajee, plus a report on the possible development of a deep water port at Oakajee. Just how is this to be done properly in the few months available?

All the local political candidates supported development of Oakajee unfortunately, so there is no hope there, unless one of them changes their mind. Kevin Minson and others have suggested that the local environmentalists are for development at Narngulu, whereas if they had bothered to read the Industry and Port Sites Study they would know that if we support industry at all, it would be at an inland site. Now is the time to speak up and keep repeating that there is an alternative to locating industry at either Oakajee or Narngulu - put it inland. The suspended EPA report advised a revised site selection process - this has not been done.

If that is correct, it would be very strange that the Government had not looked at that stage. It continues -

A huge amount of money has been spent on more and more reports and studies, presumably to get the answer that the politicians want. Most of us who choose to live here love it and value our pristine ocean and coastline, and do not want to see it spoilt.

To back up what G. Ingham has said, I will quote from *The Geraldton Guardian* of 25 November 1996. It reads -

Kingstream Resources' environmental and community affairs co-ordinator, Dr Alan Tingay said there were no technical or environmental reasons to shift the site.

He was talking about Narngulu. It continues -

He said given that the project was running to a tight schedule, the chances of carrying out a comprehensive environmental review for another location within Kingstream's current time frame were slim.

"To go through the process of providing another environmental document, putting it out for public review and then having it approved would take at least seven months, and that's being optimistic," Dr Tingay said.

"We would be very lucky to get it through in that time frame - realistically it would take at least nine to 12 months."

That was at the end of last year. It continues -

Dr Tingay said while some government representatives had suggested such an undertaking could be completed by March next year, it was difficult to see how that would be possible given the time it took to put the approvals in place.

The joint venturers hope to begin the construction phase of the steel plant by mid-1997.

It seems strange that Dr Tingay, who was confident that it would take longer than that, has changed his mind. I wonder about the quality of that assessment, given his previous opinion that it could not be done in that time frame.

Another letter to *The Geraldton Guardian* is worth reading. It brings up a point that has been put to me on other occasions by people who have contacted me from Geraldton. The letter is written to the editor and appears in the 6 November edition. It reads -

There is an alternative to putting a steel mill at either Oakajee or Narngulu - put it inland near the site of production.

The existing railway line could then be used to transport a much reduced volume of processed steel to the existing port - no heavy trucks going along Portway, no need to spend millions on developing infrastructure and a deepwater port at Oakajee; no threat to our fragile coastline.

Mullewa wants the steel mill - let them have it.

What is the point of transporting huge volumes of unprocessed iron ore to a steel mill in Geraldton or Oakajee, only to have to take the remaining slag back to the minesite?

Who will pay the huge infrastructure costs of developing Oakajee? Not Kingstream if newspaper reports are studied.

I suggest the proponents of this scheme read the CSIRO report on the threats to our coastline and listen to the wishes of the local people.

That makes me wonder how it is cheaper to transport large quantities of material to a port rather than process it and carry the smaller quantities and not have to remove the slag back to the site. On casual observation it would seem to be a sensible supposition. I would be interested to hear what the Government has to say about it.

Another item concerned environmental assessments. An article in *The West Australian* of 6 April 1997 by Geraldine Capp states -

Conservationists have criticised Resources Minister Colin Barnett for claiming that construction of a steel mill at Oakajee near Geraldton is not linked directly to the development of a deep-water port and other industry on the site.

WA Conservation Council coordinator Rachel Siewert said Mr Barnett's comments were wrong because the company behind the \$1.4 billion Midwest Iron and Steel project had defined clearly its link with development of a deep-water port.

Ms Siewert is angry that the Government asked the community to comment on the steel project before it has released reports on the industrial site and the port.

She said because the steel project was linked directly to the port, the Government should suspend the Environmental Protection Authority's assessment of the steel project until the community could read all the studies being prepared on Oakajee.

If the port is not directly linked to the mid west steel project what is it linked to? At a briefing my colleague Hon Giz Watson and I had with the Department of Resources Development recently I asked Dr Kelly what industry, apart from the mid west steel plant, indicated it will establish at Oakajee? I asked whether any firm proposals had been made for any other industry. Dr Kelly said there was none. If it is not linked to the mid west steel plant, what exactly



does the Minister for Resources Development want the plant built for? He has been fairly misleading about other firms establishing there.

I am concerned about so many loose ends. It appears the Government has not done its homework in many areas. We are not at the right stage of the development of the proposed Oakajee site for a state agreement Bill to be progressed. Pressure has been put on us by claims that we could frighten off the investors if we took more time to examine this thoroughly. There is a real rush to pass this legislation.

I have heard that before in here. I remember Dr Shea, the Chief Executive Officer of the Department of Conservation and Land Management, lobbying members of Parliament to rush an amendment through this Parliament. We were asked to put aside the debate on the native title legislation for half an hour while we pushed through the CALM amendment Bill on the basis that a number of patents were pending on various uses of conocurvone. The Department of Conservation and Land Management was trying to patent it before the National Cancer Institute of the United States. The consequence of not signing that deal was that the Government would lose \$500m. How much money did the State get from that deal? The patents had been long held by the National Cancer Institute; we were misled. The Department of Conservation and Land Management was rushing to put some site patents on that species. Far from making \$500m and establishing a major industry in biotechnology, we earned a handful of money that would not even have paid for the rushing around.

That sort of rush is unfair on the members of this House. If there must be a rush the Government should have all the knots tied. It should be able to convince us that the people of this State will be advantaged by this project. I am concerned when that kind of pressure is put on me. I keep hearing a used car salesman saying that if we do not buy a certain car today someone who telephoned half an hour ago will buy it.

It is not fitting with a project of this size that we be put under such pressure. Despite those concerns I will listen to the Minister's response before I decide which way I will vote. I hope he can convince me that the Government is moving to ensure taxpayers' funds are safe, that the environment of the Batavia coast is protected and that the town of Geraldton will not be socially disadvantaged.

I should be pleased that a push will be made to employ local people in that industry. It is very important that we stop the flying in, flying out of employees into mining and industry regions in the State. It is an appalling practice. Nevertheless, there are many things to commend this project.

I want the Minister to address some of those concerns in his summing up of the debate. If he can convince me that safeguards are in place I will probably support the Bill. Until I hear that the Government is not getting us into deep water, even though it has good intentions which I do not mistrust in any way, I will remain concerned that the Government is being caught up in the excitement and will spend a lot of money that could have provided many other jobs and given relief to people in difficult situations in the light of the high level of unemployment.

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [11.27 pm]: I thank members for their contribution to this debate. I regret to say it would be difficult for me to convince Hon Jim Scott of anything. I am not an expert on every aspect of this agreement because as members will appreciate I am representing the responsible Minister in the other place. However, I shall try to convince Hon Jim Scott to stop having two bob each way and put up his hand one way or the other. I will be interested to see what he does at the end of the day.

As members heard, the Bill is about a significant project for Western Australia. We hope it will come to fruition because, as many members said, it represents downstream processing of iron ore. There is no doubt this Government strongly supports the project. The iron ore producers in Western Australia have not done enough towards downstream processing of their product. We are aware of some of the pellet plants and activities of Hamersley Iron Pty Ltd at its hi-smelt project and The Broken Hill Proprietary Co Ltd hot briquette plant at Port Hedland. However, the Government believes more downstream processing of iron ore and general products in Australia is essential if we are to derive the full benefits from the natural resources within this country.

Hon Mark Nevill was generally very supportive of the legislation. He even said that we should take the risk of proceeding at Oakajee. As I understand his comments, he suggested we proceed with the proposals being put forward. Generally he is of the view that the project has far more prospect of being successful than some people in the past have suggested it would have. Given the magnitude of this project and the size of the company proposing it, it was easy for people to say that it did not have much chance, or to take a cynical approach. Indeed, many people would be pleasantly surprised about what has been achieved so far with this project. There is very strong support for it, and we can only hope it is successful.

I do not propose to talk about the gas pipeline question tonight because that issue is very complicated and I do not pretend to understand all of the nuances of the processes involved in the conclusions reached by the Minister for Resources Development. It involves a number of different issues, not the least of which is the sale of the Dampier

to Bunbury pipeline. On top of that is the desire of a number of overseas companies to build a second pipeline. The ability of AlintaGas to expand the capacity of the existing pipeline is an interesting concept as well. I might add, there is a fair amount of doubt about the potential demand for gas in Western Australia. Like most other members, I have been lobbied by a number of pipeline proponents and although I have asked them questions about the number of terajoules they believe would be necessary in Western Australia, I have never really received an answer. The Minister must take into account the potential effect of a second gas pipeline on the demand in the State. It would be ludicrous to have two pipelines, both of which could not make a profit because at the end of the day there was not enough demand. As I said, this is a very complicated issue, and I will leave it at that.

Hon Mark Nevill also talked about the Government taking an equity position in this project. I was a little surprised that he said that, because fundamentally that was what WA Inc was all about. When I considered what he proposed tonight and having listened to the Democrats talk about WA Inc in the same breath, I was a little surprised. WA Inc was all about the Government of the time taking an equity position in private sector activities. That is not what this project is all about; it is about providing infrastructure and the company going about its own business. I just make this point -

Hon J.A. Scott: That is equity.

Hon N.F. MOORE: It is not equity. If people wanted to set up a business in Fremantle, there is already a port, a road system, a railway system and all the things that have been provided by the taxpayer over many years. In the metropolitan area and the south west of the State an enormous amount of infrastructure has been provided by taxpayers generally over many years. In the north west during the development of the iron ore mines there was no government infrastructure at all. The burden was placed on the mining companies to provide the infrastructure, including the social infrastructure like hospitals and schools. The companies argued long and hard against that, but they were prepared to go along with it. That is probably not acceptable any longer. Companies are not prepared to provide all the infrastructure necessary for a project to get going, simply because it becomes totally non-competitive.

Here we are looking at the development of an industrial area at Oakajee, which initially will be used by one company but will be available for any other companies that want to use it in the future. As Hon Mark Nevill pointed out, there is an element of risk about the other companies that may, or may not, want to use that area in the future. There is an obligation on government these days to provide infrastructure. We must meet that obligation if we are to attract industry to Western Australia. It is a highly competitive world. We have already heard Hon Mark Nevill describe the situation in Queensland, and we know about other Governments in other parts of the world providing cheap energy and infrastructure to attract industry. In many parts of the world industry policy is all about Governments providing incentives to develop industry.

In a sense, we are providing infrastructure at Oakajee - we are providing industrial land, transport and a port, if that is necessary - to ensure we attract some industry to that site. The Government is not taking an equity position in the project, although Hon Mark Nevill has suggested it should. I draw the attention of the Democrats, who were talking about WA Inc, to the fact that Hon Mark Nevill was talking about something more akin to WA Inc-type deals, or the potential for those problems in the future, rather than what we are proposing in this agreement Bill.

Hon Mark Nevill: You get 200 million shares exercisable at \$1.50. If five years after the exercising the shares rise by \$1.50, you do not lose any money.

Hon N.F. MOORE: That is what everybody says about buying shares; if they go up, people do not lose on them. I wish I had some of those shares. Most of the shares I buy are on the way down when I get them.

Hon Mark Nevill: If ever you want an investment adviser, come and see me.

Hon N.F. MOORE: I am happy to talk to the member because I certainly need one.

The Government has no intention of taking an equity position on this project, but it is in the business of providing infrastructure to assist in the development of an industrial estate at Oakajee, if that site is ultimately chosen, and it has no problems with taking on that responsibility. As I said, many areas of Western Australia have infrastructure in place provided by the taxpayer over many years. A natural advantage is provided to metropolitan regions over remote areas because the infrastructure is already in place. There is a very good argument to say that the Government should be providing infrastructure in remote parts of the north west, and at the taxpayers' expense. I have been arguing that for a long time as a representative of that area. It is hard to get development in those areas because the infrastructure costs are so high.

Hon Mark Nevill: You have been removing infrastructure in Wittenoom.

Hon N.F. MOORE: That is probably not a bad thing. Now we will be able to move people into Tom Price.

Hon Helen Hodgson raised a number of issues, and I have already commented on a couple of them. I was a little concerned about the way in which she sought to attract a headline for herself by saying that this project was veiled in secrecy and was a reflection of WA Inc. It is rather unfortunate that she sought to use those phrases without in any way seeking to substantiate them. By way of interjection, I asked her to substantiate her allegations but she kept on talking - quite properly ignoring the unruly interjection! It is helpful in the context of these debates that when people make a serious allegation - it is serious to suggest that this contract is somehow or other veiled in secrecy and is another WA Inc-type deal - they say why that is the case. People who sit in the Press Gallery who write about these things are entitled to ask her why she has said that, rather than simply writing, "WA Inc claimed by Democrat". That is a nice headline, but it does not help anybody at the end of the day.

Hon Ljiljanna Ravlich: If she said that, you would just refute it anyway.

Hon N.F. MOORE: The Democrats have a great capacity to be on both sides of every argument. It is probably a very good political strategy to use.

Hon Norm Kelly: We are a balanced party.

Hon N.F. MOORE: That is why they have two hands: They can say on one hand this and on the other hand that.

Hon Helen Hodgson: I said it was a difficult decision for us.

Hon N.F. MOORE: I listened to the speech of Hon Helen Hodgson with great interest. She did not say she was opposed to the project, but I think her colleague did. She raised a number of reasons why on one hand the project was no good and should not go ahead, but how on the other hand it would create jobs and was good for Western Australia and it was not a bad thing at all. At the end of the day I really do not know where the member stands on this project, other than she is concerned about sailboarding, crayfishing and tourism - and so are we.

The agreement Bill is, in fact, quite specific about environmental matters, and I will deal with that now. The agreement says that all the environmental protection laws must be abided by. This agreement Bill does not take away any of the obligations on the company regarding environmental law. I think it was Hon Giz Watson who referred to what is happening in Cockburn Sound. She thinks that somehow a state agreement Act overrides the Environmental Protection Act, and that every agreement Act does the same thing. I would need to look to see if it overrides the Act. However, in this case, I refer the member to page 8 of the Bill, schedule 1, interpretation. Paragraph (3) reads -

Nothing in this Agreement shall be construed to exempt the Proponents from compliance with any requirement in connection with the protection of the environment arising out of or incidental to their activities under this Agreement that may be made pursuant to the EP Act.

In other words, we can do nothing outside the requirements of the Environmental Protection Act. For the benefit of the member who raised native title, paragraph (2) on the same page relates to native title. That does not override native title obligations either. Members need to read the agreement carefully to see that it requires the company to do certain things within the laws of Western Australia. Often agreement Acts are brought in to allow companies - by agreement with the Government and ratification of the Parliament - to do things which are not strictly in accordance with the laws that apply normally. An advantage of agreement Acts is that they enable agreements to be reached which do not require the amendment of 15 Acts of Parliament. That is a virtue because it enables the Government and the proponents to reach agreement, bring it together in a package, and take it to Parliament for ratification.

A number of members spoke about state agreement Acts. This agreement Act has been brought to Parliament because it has become a way in which Governments of both political persuasions have informed Parliament of major projects. It is not necessary for that to happen. This project could have been put together, and could have been the subject of agreement between the Government and Kingstream Resources, and never have got to Parliament. That could have been the case with all state agreement Acts. Hon Mark Nevill argued that we should not have agreement Acts -

Hon Mark Nevill: This is probably an important one.

Hon N.F. MOORE: I am pleased that the member has modified his view slightly. My point is that by having a state agreement Act to ratify an agreement we bring the agreement to Parliament. Some members think that by bringing it to Parliament we somehow deny Parliament the right to scrutinise, and put in place a veil of secrecy. There are many agreements between State Governments of different political persuasions, and industry or particular private sector operators, which never see the light of day. They are simple contracts that operate from day to day. In this case, because this is a project of such magnitude, the agreement Act should come to Parliament. Members should

be able to see the contents of the contract. The agreement contains the names of the signatories and the date it was signed; it is all there for members to see.

However, it is not appropriate for Parliament to be engaged in negotiations on the contract. It is not the role of Parliament to negotiate contracts with the private sector; that is the role of the Government. Governments and Parliament are different. Parliaments make laws and scrutinise Governments. By being elected to office, Governments make decisions about what goes on in the country. They must act within the law. It is proper for Governments to enter contracts with anyone they wish, provided they abide by the law. It is not necessary to receive ratification by Parliament or for it to be involved in negotiations on the contract -

Hon J.A. Scott interjected.

Hon N.F. MOORE: I hope it is not. Hon Jim Scott wants two or three people who have been elected with a very small number of votes to have some say in the Government of Western Australia -

The PRESIDENT: Order! The Minister should direct his comments to me, and there will be no need for unruly interjections.

Hon N.F. MOORE: Just by being in Parliament, those members think that somehow they are part of the Government. They are not. They have a role as parliamentarians, and that is different from that of a member of the Government. The Executive has certain powers; the Parliament has certain powers. As long as we operate within the law we are legitimately able to do certain things. Therefore, it is proper for Governments to enter contracts and for the Parliament to be told about it. Members can tell us what they think. If any member does not like this contract, or if Parliament does not like it, it can throw it out -

The PRESIDENT: Order! The Minister should address the Chair, not individual members.

Hon N.F. MOORE: Mr President, I was seeking to emphasise the point for the member who raised the matter.

The PRESIDENT: Order! The Minister is meant to be addressing the Chair. I ask him to do so.

Hon N.F. MOORE: Hon Ljiljanna Ravlich raised some important issues. She said that this was a great project, and that we should support it; but, on the other hand, we did not do a good job putting it together. She implied that somehow the State can tell the company what it should be doing, even if it could not afford to do it.

Hon Ljiljanna Ravlich interjected.

Hon N.F. MOORE: As I tried to explain earlier, taxpayers' money will provide the infrastructure to assist in the development of the Oakajee industrial estate. That is what government funds are for. We should not take an equity position in Kingstream. The industrial estate is being set up to facilitate the development of the project. If members would rather we did not do it, they should put up their hands, and we would know where we stand.

Hon Ljiljanna Ravlich said that we should have said that we are prepared to put in \$300m for infrastructure, and anyone who wants to build a steel mill at Oakajee should then put up their hands, and we should call for expressions of interest. That would be very nice in theory. However, this project began as a small project to be located at Mullewa initially. It became bigger and was moved to Narngulu and then to Oakajee. It has had an evolving history. It was not appropriate that once it reached a certain size, and we decided to go to Oakajee, we should then say to Kingstream Resources that now it has become so big we will spend money on an industrial estate and we will call for expressions of interest. That would be grossly unfair to the proponents of the idea, and totally inappropriate. It would not happen anyway. The proponents would go away because they would not be bothered with that attitude. No-one would be prepared to take the risk.

Hon Mark Nevill spoke about the risks being accepted by a relatively small company in taking on a very large project. The irony is that companies such as BHP, CRA and Robe River Iron Associates were not prepared to undertake this project. They say that the project will not succeed, but this company is prepared to take it on.

Hon Ljiljanna Ravlich spoke about employment opportunities, and how mining companies had only a one to three multiplier. She said that we should have downstream processing. Everyone agrees with that. Perhaps she should think about why we do not have downstream processing in Australia. She should ask why we do not have a steel mill at Newcastle, before she becomes highly critical of this Government. Hon Ljiljanna Ravlich also spoke about local content. The local content clause in this agreement is the same as those contained in most state agreement Acts. It requires companies to use local content to the best of their capacity. Obviously we want the project to use local labour, resources and materials as much as it possibly can, but there must come a time when a line must be drawn on the cost. If using local content means that the project does not proceed we would be crazy to insist that that happen in a complete sense. I am told the Beenup project has the same local content clause. Some 85 per cent of

that project was sourced locally. That is a pretty good effort. The company involved in this project will be required to report regularly about how it is utilising the local content clause. The member should read that clause closely and she will find there are serious obligations on the company to inform the Government of what it is doing with local content.

Hon Ljiljanna Ravlich talked about training needs and quoted from the Worley report. There are two Worley reports. The first -

Hon Ljiljanna Ravlich: Got it wrong.

Hon N.F. MOORE: - referred to the state of play at the time. It did not get it wrong. At the time of the report the projects on the horizon were of a certain quantity. When the situation was reassessed down the track, a number of projects were not proceeding; therefore, there was a winding back of the expected demand for jobs, which was unfortunate. I would rather have skills shortages than unemployment. The member talked also about training needs. I agree with that. The Government has successfully reformed the training system in Western Australia to the point where we are giving the system the capacity to respond quickly to industry needs. A significant amount of money is going into training in sectors that are involved in projects of this nature.

It must be understood that with construction projects, people move from one State to another. Labour in Australia is very mobile, particularly in the construction industry. People are moved from place to place and they are happy to go to remote parts of Australia to be engaged in a project and then to move on to somewhere else. There will be occasions for somebody to be brought in from overseas if nobody is available in Australia to do a job. The Commonwealth, not the State, decides who can work in Australia from overseas.

There are some skills that from time to time are not available in Australia. If they are not available, it is better to bring them in from outside to provide the expertise a company might need to get a project going, rather than to leave the position empty until the company gets around to training somebody. As members know, the problem with training is that it takes a long time to train somebody for a particular skill, and the more complicated the skill, the longer it takes. It is difficult to get the right balance between supply and demand in training, especially in construction projects because there is not a long lead up time as there is in regular employment in the community.

Hon Murray Criddle, a good local member, raised issues that are important to him. I have no doubt he will continue to have a serious input in this project. He talked about coastal development versus inland development. That is not an argument I propose to go into, other than to say the proponents believe the project must be on the coast. That is the location of most major facilities of this sort around the world. There is a significant advantage in the competitive nature of these industries if they are on the coast.

Hon Kim Chance is an enthusiastic supporter of the agreement. He is not an "on the one hand" and "on the other hand" supporter of this project. I appreciate his support. He talked about the price of iron ore being a national disgrace. I met people from an iron ore company the other day who would like to get more money for their iron ore. However, the pressures on the steel makers in Japan from the users of steel, such as car manufacturers, is enormous, particularly on those that basically set the price, even though supposedly a market operates. There is not a lot of capacity for them to move in that area. Like Hon Kim Chance, I would like to see more downstream processing from BHP, Hamersley Iron Pty Ltd and others in Western Australia. We look forward to that happening when they see what a small company might be able to do if it puts its mind to it. Hon Kim Chance talked also about the length of the contract. I hope it does go for 63 years; if it goes for 163 years, so much the better.

Hon Murray Nixon hit the nail on the head when he talked about the balance of payments problem. That issue must be considered seriously, and these sorts of projects are helpful in that area. Hon Norm Kelly said many of the same things Hon Helen Hodgson said; however, he said he was opposed to the Bill, but he was not antidevelopment, which is encouraging. I have already spoken about the WA Inc issue, which he raised also. He is wrong: This legislation is not about the State taking an equity in the project, but about providing basic public infrastructure that is provided in most other parts of Australia. He talked about foreign ownership and local employment. The company is seeking to raise \$600m within Australia as part of the equity arrangements for this project. That is one of the reasons we want to get this Bill passed; that is, so the company can get out into the marketplace in Australia and raise the \$600m as quickly as it can.

Hon Norm Kelly talked about the crayfishing industry being under threat, the effect of the breakwater and the Leeuwin current, and the ships being a problem. The environmental laws must be applied. This agreement Bill will not allow any breaking of existing Acts. The member said Geraldton was the wrong place for the project but that he might change his mind later on. One can only hope that he does so.

Hon Jim Scott said he was excited about the steel mill - I am pleased about that - and then went on to tell us why we should not have one. He said it was a good idea, but that he had some problems with it. That is fair enough. People

are entitled to raise their concerns and the Government takes on board their concerns. Some loose ends are attached to this project; there is no argument about that. The Government is working its way through a process to get for Western Australia a significant steel industry. It is not easy, but this Government is having a go, and a company is prepared to have a go as well.

The Government seeks the support of Parliament to enable that company to get out into the markets and raise the necessary money. We hope it is successful. We believe the agreement will look after the interests of Western Australian taxpayers. If members want further briefings on the agreement, they are available. If they read through the legislation carefully I am sure they will agree that it covers the State to the extent that is necessary and proper in this case.

There is no rush for this Bill, as some members suggest. The only rush is that the company would like the agreement Act in its hot little hand to say to the equity markets that the Government of Western Australia has signed this agreement and the Parliament has ratified it, and, therefore, there is general support from the community for it. That is considered to be useful for raising funds from banks and other equity markets. If members feel any pressure on them at this time, that is their problem. I am not seeking to put any pressure on them. The only pressure is that we will take a vote at some time and members must make up their mind. If members want any more information, they should feel free to ask officers from the Department of Resources Development or the Minister for Resources Development, who will be only too happy to provide members with any information they might need. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

### **RESTRAINING ORDERS BILL**

*Returned*

Bill returned from the Assembly with amendments.

### **BANK MERGERS BILL**

*Assembly's Message*

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

### **JOINT STANDING COMMITTEE ON THE ANTI-CORRUPTION COMMISSION**

*Assembly's Message*

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council, and notifying the appointment of Assembly members.

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

*Second Reading*

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [12 midnight]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to grant supply and to appropriate sums from the consolidated fund required for the recurrent services for the 1997-98 financial year as detailed in the consolidated fund agency information in support of the Estimates.

Recurrent expenditure is estimated to be \$6 567.6m of which \$1 046.684m is permanently appropriated under Special Acts, leaving an amount of \$5 520.916m which is to be appropriated to the services and purposes identified in the schedule to this Bill. I commend the Bill to the House.

Debate adjourned, on motion by Hon Tom Stephens (Leader of the Opposition).

### **ADJOURNMENT OF THE HOUSE - ORDINARY**

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [12.01 am]: I move -

That the House do now adjourn.

*Adjournment Debate - Pumajina Aboriginal Community*

**HON TOM HELM** (Mining and Pastoral) [12.02 am]: I must report to the House that as a result of the urgency motion I moved yesterday, the community at Pumajina has received a re-allocated and redefined grant of \$28 000 which will go some way to alleviating the problems of those people. I have received messages from some government organisations indicating that they are prepared to use their services to help these people, and on Friday I will talk with people from the Health Department at Pumajina who are working hard to see whether they can ease the problems of that community.

I must also advise the House, following some issues raised with regard to my position on fringe dwellings, that I am neither opposed to nor supportive of the notion. I support, and will always support, any people who feel they have answers to the problems of the indigenous people in this State. My information today is that the state Aboriginal Affairs Department until recently was responsible for the wellbeing of that community. I do not understand why it is not carrying out its responsibilities.

Question put and passed.

*House adjourned at 12.03 am (Thursday)*

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## QUESTIONS ON NOTICE

### POLICE - LAW REFORM COMMISSION INQUIRY

#### *Submissions*

133. Hon MARK NEVILL to the Attorney General representing the Minister for Police:

- (1) Did the WA Police Service make any written or oral submissions to the Australian Law Reform Commission's Inquiry into the complaints and disciplinary systems of the Australian Federal Police and the National Crime Authority?
- (2) If yes, will the Minister provide a copy of any written submission and the terms of any oral submission?
- (3) Has the Police Service studied the ALRC Inquiry Report and its findings?
- (4) If so, does it propose to alter any of its practices or procedures following the report?
- (5) If so, what practices and procedures?

Hon PETER FOSS replied:

- (1) Yes. A written submission dated 7 March 1996 was sent to the Australian Law Reform Commission by Commissioner Falconer.
- (2) Yes.

Dear Sir

Re: Issues Paper 16 - November 1995  
Complaints against the AFP and NCA

This paper has now been examined and I offer the following comments. I have mainly confined my advice to matters relating to complaints against members of the National Crime Authority as this is the region which can have an impact upon the Western Australia Police Service.

In the Memorandum of Understanding between this Police Service and the NCA, the discipline of our seconded members rests with the internal investigation procedures of the Western Australia Police Service. These procedures are stated as:

*Complaints against Western Australia Police Force members seconded to the authority will be forwarded to the Chairperson of the Authority in the first instance. Where the matter warrants formal investigation, the Chairperson will forward the details of the complaint to the Western Australia Police Force.*

The Police Act 1982 of Western Australia, as amended, provides, inter alia, that -

*... if any members of the Police Force be employed beyond the limits of the said State every member so employed shall be amenable to and obey in all respects the lawful commands of his superior officers, and shall be liable to the same penalties, forfeitures, and punishments, in all respects, for any offence against the discipline of the Police Force, in any service in which he may be so employed beyond the limits of the said State, in the same manner as if such offence against the discipline of the Police Force had been committed within the said State.*

These provisions clearly set out that all members are, at all times, accountable to me as the Commissioner of Police.

Two areas which have been touched upon in Chapter Four, but not fully addressed in the Issues Paper are, with the introduction of a statutorily provided complaints investigation system, which jurisdiction has precedence and under what circumstance should the precedence be determined?

It is my view that the home police service should maintain jurisdictional control in all instances of:

misconduct and offences committed of any kind whilst off duty, and

misconduct and minor offences confined to summary jurisdiction committed whilst on duty and acting along.



In all instances of more serious infringements against the criminal law, whether able to be dealt with summarily or not, committed whilst in company with other NCA members or otherwise, in my view, should be within the jurisdiction of the NCA complaints investigation system. This would be essential to maintain the integrity and continuity of the investigation and also ensure consistency of any sanctions applied.

I would also suggest that, when any complaint is received concerning a seconded member from outside the State in which the complaint is lodged, the home service Commissioner is advised of the full details forthwith. Under these circumstances in my own State, I would immediately have a senior member of our Internal Investigations Branch delegated to monitor the matter and provide any local assistance required.

Under these circumstances I would support the establishment of NCA complaints investigation system recognising, of course, that I, together with all other State Police Service Commissioners, will always retain the option to withdraw the services of any Western Australian NCA members whose conduct or performance I consider has become inappropriate.

Question 4.2 seeks advice on -

*Who should provide external review of complaints against the NCA or its staff? In particular, should it be the Inspector General of Intelligence and Security or the Commonwealth Ombudsman?*

I consider that the arguments are more compelling in favour of the Inspector General of Intelligence and Security than those in favour of the Commonwealth Ombudsman. It is becoming more and more prevalent for NCA staff to adopt the primary role of intelligence gathering and disseminating this to the State police for further action. Even in cases where Task Forces are utilised the policing function is predominantly carried out by local police staff.

I trust these comments are of assistance.

Yours faithfully

R FALCONER APM  
COMMISSIONER OF POLICE

March 7, 1996.

- (3) This is currently under way.
- (4) The disciplinary practices and procedures of the Western Australia Police Service are currently the subject of a comprehensive review.
- (5) Not applicable.

#### GLOBAL DANCE FOUNDATION - FUNDING

##### *Decision*

210. Hon TOM STEPHENS to the Minister for Tourism:

- (1) On what basis was the decision made to provide Government funding to the Global Dance Foundation?
- (2) Was the decision to provide Government funding to the Global Dance Foundation made by -
  - (a) Cabinet;
  - (b) the Minister;
  - (c) the Tourism Commission (EventsCorp); or
  - (d) other (please specify)?

Hon N.F. MOORE replied:

- (1) The decision was based on the EventsCorp criteria, including economic impact, the potential to develop the event into a Dance Olympics concept to be staged in Perth, the potential for pre and post event tourism, and the legacy the event would leave to the Western Australian dance community.
- (2) The concept was approved by the Western Australian Tourism Commission. The Treasurer approved the funding.

PARKS AND RESERVES - NATIONAL

*South West - Tourism*

228. Hon J.A. SCOTT to the Minister for Tourism:

- (1) Is the Minister aware of the proposal for the creation of a Greater Beedelup National Park near Pemberton, and a Wellington National Park near Bunbury?
- (2) Is the Minister aware that both these, and many other forest conservation reserve proposals, have widespread support within the tourism industry?
- (3) What is the Minister doing to support these proposals and to back the tourism industry which has long-standing concerns that the south-west's old-growth forests are overcommitted to clear felling and woodchipping?

Hon N.F. MOORE replied:

- (1)-(2) Yes.
- (3) I have discussed the proposals recently with representatives of the Greater Beedelup National Park Association and corresponded with Tourism South West on the matter. I have also encouraged the establishment of a task force chaired by the South West Development Commission to examine the balance between conflicting uses of the forest resource.

TOURISM - EVENTSCORP

*Funding - Monitoring*

255. Hon TOM STEPHENS to the Minister for Tourism:

- (1) What mechanisms have been put in place by EventsCorp to -
  - (a) check the credentials of companies and individuals seeking Government funding; and
  - (b) monitor the on-going performance of the companies to ensure they are carrying out their contract?
- (2) Did EventsCorp carry out a check on the background of businessman Mr Peter Reynolds?
- (3) Has EventsCorp monitored the progress of Global Dance Foundation in its attempts to get a World Dance Congress for Perth?
- (4) If yes, how?
- (5) If not, why not?

Hon N.F. MOORE replied:

- (1) (a) Each event goes through a standard process assessment. The organisation's background will be checked to establish its bona fides. References may be called for. EventsCorp then analyses the event to ascertain whether it will satisfy the criteria that have been established by comprehensive analysis of the requirements of the Western Australian Tourism Commission. The five primary criteria are -
  1. **Economic Impact**  
The estimated economic impact for an event incorporates the estimated number of participants, their estimated length of stay during the event and the estimated daily expenditure. Where possible, previous events are analysed to obtain some indication of the potential participation. Where an event has not been held before, discussions with the proposer and any other sources are accessed to make an educated estimate of the potential of the event.
  2. **Media Impact**  
The ability to generate images of Western Australian tourism destinations to international television viewers is an important method of creating an awareness of Western Australia and its tourism icons in the international market. For example the Heineken Classic is broadcast to over 200 million potential viewers in Europe and Asia, incorporating Western Australia's priority tourism markets.

By using events, the WATC leverages the cost of the event into substantial financial benefits by achieving access to free to air, cable and satellite channels for the WATC tourism postcards. These video postcards consist of fifteen second video images of some of Western Australia's finest tourism locations.

EventsCorp endeavours to incorporate these postcards into international broadcasts of events with which it is associated. An event which achieves international television coverage and is able to incorporate the postcards into the broadcast will receive serious consideration within this criterion.

3. **Event Frequency**  
EventsCorp is endeavouring to develop a calendar of regular events which will ensure savings are made on the bidding and the marketing costs associated with one off events. An event which will be staged on a regular basis in Western Australia will receive a favourable assessment within this criterion.
4. **Private Sector Investment**  
The percentage of the event revenue being provided by the non- government sector is an important consideration when analysing events. The greater the percentage being provided by the private sector, the more favourable the assessment.
5. **Tourism Activity**  
The tourism calendar consists of high, shoulder and low periods. An event which will be staged in the low season when there is more capacity within the tourism industry, is more attractive than an event which is positioned to be staged in the high season.

#### The Developmental Approach

It may be that when this analysis is applied to a prospective event, it falls short of the qualifying requirement. It may however indicate that with careful development of the event, it will justify an involvement. In this situation an analysis of the final vision of the event is analysed. Should such an analysis reveal the potential for the event to qualify when fully developed, further evaluation of the investment required to reach the final vision of the event and the ensuing returns to the State will be undertaken.

#### Other Criteria

Other criteria such as the potential to develop the sport or cultural activity associated with the event, the potential to have a positive effect on the corporate sector and the potential for the event to increase the status of the State are considered. There is less emphasis placed on this criterion but it may play a role in the final decision.

In the vast majority of cases, EventsCorp is involved with state, national and/or international sporting bodies. For example, some of the organisations with whom EventsCorp is dealing include Federation Internationale de Gymnastique, Australian Gymnastic Federation, Union Cyclist Internationale, Australian Cycling Federation, World Darts Federation, Darts Federation of Australia Inc, Federation Internationale de l'Automobile, Confederation of Australian Motor Sport, International Triathlon Union, Triathlon Australia, International Sailing Federation and Australian Yachting Federation. All proposals are developed into a contract form and then submitted for assessment to the EventsCorp Board. The EventsCorp Board then submits the proposal and contract to the WATC Board of Commissioners for a final decision.

- (b) For every event contract, a manager who has responsibility for monitoring the event and its outcome is appointed. In turn, the manager submits a monthly management report on the event to the EventsCorp Board which in turn is ratified by the WATC Board. To assist in this management, EventsCorp has a number of standard clauses related to the ongoing monitoring of the performance of the event that it seeks to incorporate into event contracts. It should be noted that some parties do not agree to all clauses. These include -
  - (i) The event management is required to maintain an event account and ensure that all income and expenses are paid from that account.
  - (ii) The expenses are to be in accordance with the event budget.
  - (iii) Proper records and books of account are to be kept and all income and expenditure whether cash or in kind is to be recorded.
  - (iv) Quarterly management reports incorporating financial position of the event, and key matters associated with -

1. administrative
2. legal
3. operational
4. marketing
5. sponsorship
6. media and publicity
7. participant registration;

are to be forwarded within a minimum time following the end of each quarter.

- (v) Within 60 days from the conclusion of the event the organisation is required to provide an audited report on all records and books of account relating to the event.
- (vi) The organisation is usually required to provide an indemnification in favour of the Western Australian Tourism Commission against actions of negligence or incompetence by the organisation.
- (vii) Within EventsCorp's event management process, as soon as an event is secured, an event manager is appointed as the responsible executive to ensure the objectives of the event and terms and conditions of the contract are achieved. The right to raise concerns with respect to the report is incorporated into the contract, and the organisation is required to reply to the concerns within a specified time period. Where appropriate EventsCorp will also require that an EventsCorp representative sits on the Organising, Marketing and Finance Committees depending on the event's management structure. In this way, EventsCorp monitors and provides advice on the ongoing management of events and delivery of the organisation's obligations to EventsCorp. Where needed, EventsCorp will secure expert assistance in this monitoring process as required. This advice includes legal and specialised advice where required.

(2)-(3) Yes.

- (4) The contract required that a Western Australian Tourism Commissioner or other representative of the Chairman of the WATC be appointed to the committee handling the Global Dance Foundation's affairs. This was done and the Commissioner reported regularly on the progress of the event. In addition, the responsible manager maintained constant contact with the organisation, requesting on many occasions checks and substitution of the reports forwarded under the contract. In addition, extensive Crown Law advice has been sought on various issues in regard to the performance of the contract.

(5) Not applicable.

#### GLOBAL DANCE FOUNDATION - BOARD OF MANAGEMENT

##### *Funding*

256. Hon TOM STEPHENS to the Minister for Tourism:

In relation to the Global Dance Foundation which has received a grant of \$430 000 from the Tourism Commission -

- (1) What are the names of those people serving on the board of management?
- (2) Are all those serving on the board doing so in a voluntary capacity?
- (3) If not, which members are paid and how much are they paid?
- (4) What position does Mr Reynolds occupy on the board of management?
- (5) Are there any paid staff and if so, how many and what are the total salaries?
- (6) What are the capital assets of the foundation?
- (7) Apart from State Government funds does the foundation receive funding from any other sources?
- (8) If so, what is the total amount of these funds?

Hon N.F. MOORE replied:

- (1) As at 23 June 1996, the members of the Board were Sylvia Box, Ruth Harrison (WATC representative), Colleen Reynolds and Peter Reynolds.
- (2) It is EventsCorp's understanding that the Board members are serving in an honorary capacity.
- (3) Not applicable.

- (4) Mr Peter Reynolds is the Chairman of the Board of Management.
- (5) The quarterly reports provided to the WATC do not indicate whether there are any paid staff. However the quarterly reports indicate a number of consultancy fees were paid.
- (6) The Global Dance Foundation advises that no funds remain in the event account.
- (7) The quarterly reports reveal that other than interest received, no funding has been received from other sources.
- (8) Not applicable.

#### GLOBAL DANCE FOUNDATION - FUNDING

##### *EventsCorp Allocation*

257. Hon TOM STEPHENS to the Minister for Tourism:

In relation to the Global Dance Foundation -

- (1) What is the total amount allocated to the foundation by EventsCorp?
- (2) How was this money provided to the foundation - periodic payment or lump sum?
- (3) When were funds provided to the foundation?

Hon N.F. MOORE replied:

- (1) \$430 000.
- (2) Two payments of \$215 000 were made to the Global Dance Foundation.
- (3) The first payment was made on 13 June 1995 and the second on 1 July 1995.

#### GLOBAL DANCE FOUNDATION - ACCOUNTS

##### *Audit*

258. Hon TOM STEPHENS to the Minister for Tourism:

- (1) Since its establishment have the accounts of the Global Dance Foundation been audited?
- (2) If yes, when and by whom?
- (3) If the accounts have been audited, were they found to be in order?
- (4) If the accounts of the GDF have not been audited what steps will the Minister take to ensure taxpayers' money is being spent wisely?

Hon N.F. MOORE replied:

- (1) Under section 4.3 of the Sponsorship Agreement with Global Dance Foundation Incorporated, GDF shall make available for audit within 60 days from the conclusion of the event or the premature cancellation of the event all records and books of account relating to the event (including details of all relevant contractual arrangements and agreements).
- (2)-(3) Not applicable.
- (4) EventsCorp has a number of standard clauses related to the ongoing monitoring of the performance of the event that were incorporated into the event contract. The event management is required to maintain an event account and ensure that all income and expenses are paid to and from that account.
  - (i) The expenses are to be in accordance with the event budget.
  - (ii) Proper records and books of account are to be kept and all income and expenditure whether cash or in kind is to be recorded.
  - (iii) Quarterly management reports incorporating financial position of the event, and key matters associated with:
    - 1. administrative
    - 2. legal

3. operational
4. marketing
5. sponsorship
6. media and publicity
7. participant registration

are to be forwarded within 21 days following the end of each quarter. These reports are assessed by EventsCorp and an event report presented to the EventsCorp Board, whose minutes are in turn presented to the WATC Board of Commissioners for approval. The right to raise concerns with respect to the report is incorporated into the contract, and the organisation is required to reply to the concerns within 14 days. Within 60 days from the conclusion of the event the organisation is required to conduct an audited report on all records and books of account relating to the event. Not later than 21 days from the end of the quarter following that in which the event is to be staged a summary of matters pertaining to the event, including the final management report, shall be provided by GDF and WATC shall be permitted to inspect the records, books of account and auditor's report.

The organisation is required to provide an indemnification in favour of the Western Australian Tourism Commission against actions of negligence or incompetence by the organisation. Within EventsCorp's event management process, as soon as an event is secured, an executive is appointed as the responsible executive to ensure the objectives of the event and terms and conditions of the contract are achieved. In this way, EventsCorp monitors and provides advice on the ongoing management of events and delivery of the organisation's obligations to EventsCorp. The contract requires that a Western Australian Tourism Commissioner or other representative of the Chairman of the WATC be appointed to the committee handling the Global Dance Foundation's affairs. The contract requires that quarterly reports be forwarded. In addition personal contact was made with the foundation to get updates on the event's progress.

#### GLOBAL DANCE FOUNDATION - FESTIVAL OF DANCE

##### *Sponsorship*

259. Hon TOM STEPHENS to the Minister for Tourism:

- (1) What is the total financial return for the \$120 000 paid to Mr Peter Reynolds' family trust to raise \$1m in sponsorship for the World Dance Festival?
- (2) What is the mechanism for the collection and distribution of these funds?

Hon N.F. MOORE replied:

- (1) Gilbert International was required to organise, promote and stage the event including the securing of sponsorship, on behalf of the Global Dance Foundation to ensure the World Dance Congress could be staged. The Global Dance Foundation has advised that no sponsorship income has been achieved.
- (2) No funds have been raised. However, the mechanism for the collection and distribution of any funds raised is that such funds must be paid into the event account, which would be subject to the same scrutiny as all other event income and event outgoings, as required in the contract.

#### GLOBAL DANCE FOUNDATION - BOARD OF MANAGEMENT

##### *Conference*

260. Hon TOM STEPHENS to the Minister for Tourism:

In relation to the Global Dance Foundation -

- (1) Was an information and discussion conference held in August last year for those considering becoming chapter and members of the board of management?
- (2) If yes, where was it held and how many participated?

Hon N.F. MOORE replied:

- (1) EventsCorp is unaware of such a conference being held.
- (2) Not applicable.

## GLOBAL DANCE FOUNDATION - FESTIVAL OF DANCE

*Pamphlets - Cost*

261. Hon TOM STEPHENS to the Minister for Tourism:

In relation to the Global Dance Foundation -

- (1) What was the cost of the package of glossy pamphlets prepared to advertise the Festival of Dance?
- (2) Who paid for the printing and distribution of these pamphlets?

Hon N.F. MOORE replied:

- (1) The quarterly reports reveal that costs associated with the design and production of the brochures was \$38 944.
- (2) The quarterly reports indicate that Global Dance Foundation Inc paid for these costs.

## TOURISM - ELLE CAMPAIGN

*Ms L. Hay - Costs*

262. Hon TOM STEPHENS to the Minister for Tourism:

- (1) Did the Western Australian taxpayer pay for the costs associated with the involvement of make-up artist and stylist, Ms Linda Hay, from New York, in the visit to Western Australia of Ms Elle Macpherson?
- (2) If so, what were the additional costs involved?

Hon N.F. MOORE replied:

This information is detailed in the "Synopsis of Brand WA Strategy Advertising Costs" as tabled in Parliament on 7 May 1997.

## TOURISM - ELLE CAMPAIGN

*Ms Patti Mostyn - Expenses*

263. Hon TOM STEPHENS to the Minister for Tourism:

Further to question without notice 35 of 1997 -

- (1) Did the Western Australian Tourism Commission pay for the accommodation costs of Ms Patti Mostyn when she was in Western Australia?
- (2) Were Ms Mostyn's accommodation costs in addition to the \$10 000 paid at the signing of her agreement (the \$5 000 upon her arrival in Perth on February 16 and the \$5 000 on February 28 at the conclusion of this contract)?
- (3) What was the total amount paid by way of reimbursements for expenses incurred by Ms Mostyn while she was in Western Australia?

Hon N.F. MOORE replied:

This information is detailed in the "Synopsis of Brand WA Strategy Advertising Costs" as tabled in Parliament on 7 May 1997.

## TOURISM - ELLE CAMPAIGN

*Mr S. Cameron - Costs*

264. Hon TOM STEPHENS to the Minister for Tourism:

I refer the Minister to question without notice 85 of 1997 -

- (1) Did the Western Australian taxpayer pay for the costs associated with the participation of Mr Stuart Cameron in the visit to Western Australia of Ms Elle Macpherson?
- (2) If so, what was the total of these costs?

Hon N.F. MOORE replied:

This information is detailed in the "Synopsis of Brand WA Strategy Advertising Costs" as tabled in Parliament on 7 May 1997.

TOURISM - ELLE CAMPAIGN

*Butler - Costs*

265. Hon TOM STEPHENS to the Minister for Tourism:

Further to my question without notice 81 of 1997 -

- (1) Did the Western Australian taxpayer pay for the services of the butler known as "Brook" who was deployed during the visit to Western Australia of Ms Elle Macpherson?
- (2) If so, what was the total cost, including transport, travel and accommodation etc, to the taxpayer of "Brook's" involvement in this visit?

Hon N.F. MOORE replied:

This information is detailed in the "Synopsis of Brand WA Strategy Advertising Costs" as tabled in Parliament on 7 May 1997.

RESCUE GROUPS - SEA

*Broome - Funding*

267. Hon TOM STEPHENS to the Attorney General representing the Minister for Police; Emergency Services:

I refer to the Department of Transport's study into the feasibility of a marina in Broome -

- (1) Has a Broome Volunteer Sea Rescue group now been formed?
- (2) Has the Minister received any application for funding from the group?
- (3) What funding is available to support the sea rescue group?

Hon PETER FOSS replied:

- (1) Yes. The group was formed in February 1997. It already has grown to 50 members and is located at Roebuck Bay Game Fishing Club at Entrance Point, Broome.
- (2) No. It is understood that an application for funding will be forthcoming.
- (3) Funding is provided through -
  - (a) Volunteer Sea Search and Rescue Funding Committee
  - (b) Annual Lotteries Commission Funding Grants
  - (c) fund raising activities organised by the group
  - (d) funding from membership subscriptions.

MOTOR VEHICLES - AIRCONDITIONING

*Hydrocarbons*

281. Hon GEORGE CASH to the Minister for Mines:

- (1) Has the Motor Trades Association of Western Australia reiterated its earlier request for the Minister to place an immediate ban on the use of hydrocarbons in motor vehicle airconditioning systems?
- (2) What action has been taken to have this dangerous product banned from such use?

Hon N.F. MOORE replied:

- (1) Yes.
- (2) This issue is particularly complex and Crown Law has advised that no legal authority currently exists to implement a ban in Western Australia. Industry suppliers of hydrocarbon refrigerants agreed in 1995 to withhold hydrocarbons as refrigerants in Western Australia and subsequently developed a Code of Practice with the intention of governing the safe use of the product. The Department of Minerals and Energy has



completed a comprehensive study of the issue and the resulting report and its recommendations are currently being considered by the relevant Government Ministers and their agencies.

#### MOTOR VEHICLES - AIRCONDITIONING

##### *Hydrocarbons*

283. Hon GEORGE CASH to the Minister for Mines:

On January 28, 1997, the Minister advised that "hydrocarbons are not currently used in motor vehicle airconditioners in Western Australia and that the companies involved with these systems are refraining from introducing them into Western Australia until the industry's National Code of Practice has been finalised and the Western Australian Government's approval has been obtained". Given that a Beechboro company is reputed to have gassed up to 50 motor vehicles in the past few months, what action is proposed to be taken?

Hon N.F. MOORE replied:

The company concerned has been inspected by officers from the Department of Minerals and Energy who found the company was not in breach of existing laws. The Department of Minerals and Energy has completed a comprehensive study into the use of hydrocarbons in motor vehicle airconditioners. The resulting report and its recommendations are currently being considered by the relevant government Ministers and their agencies.

#### TOURISM - TOURISM INDUSTRY DEVELOPMENT DIVISION

##### *Officers*

325. Hon TOM STEPHENS to the Minister for Tourism:

I refer the Minister to page 37 of the Western Australian Tourism Commission's Annual Report 1995/96 in which it states that the level of satisfaction with officers' expertise in the Tourism Industry Development Division had fallen by 5 per cent -

- (1) To what does the Minister attribute this fall?
- (2) Can this be partly attributed to the fall in salaries and wages paid by the WATC of in excess of \$160 000?
- (3) What steps is the Minister taking to rectify this situation?

Hon N.F. MOORE replied:

- (1) It should be noted the fall was from 99 per cent to 94 per cent customer satisfaction which is indeed extremely high. The fall is most likely an annual fluctuation as demonstrated in the 1993/94 figures of 84 per cent detailed in the same annual report.
- (2) No.
- (3) The salaries expenditure for the organisation as a whole reduced by approximately \$165 000 (or 2½ per cent) - as indicated in the annual report. A very minor component of this reduction could be attributed to the division in question.

#### POLICE - ESCORTS

##### *Political Events - Midland*

341. Hon N.D. GRIFFITHS to the Attorney General representing the Minister for Police:

In a document entitled "News and Views", March 1997, being a publication of the Midland and Districts Chamber of Commerce and Industry (Inc) it is stated on page 3 "The chamber launched its council election campaign for Graeme Harris with a fund-raising event at the Junction Hotel on February 24, preceded with a police escorted "parade" of a truck, decorated with banners and balloons, carrying a jazz band through the streets of Midland" -

- (1) Is the reference to a police escort correct?
- (2) How many police officers were involved and for what times?
- (3) What police equipment was involved?
- (4) Was anything paid by anyone to the police for the use of the police officers and equipment?
- (5) On what authority did the police participate and for what reasons?

(6) What precedent exists for police being involved in political events?

Hon PETER FOSS replied:

The Commissioner of Police has provided the following advice -

- (1) Yes.
- (2) Two officers for 20 minutes.
- (3) One patrol car.
- (4) No.
- (5) A permit to hold a public meeting and/or conduct a procession issued 24 February 1997 to Ms Sandra Wallace, Midland Chamber of Commerce, for the purpose of promoting Midland. It is usual practice for police to escort a procession subject to the Public Meeting and Processions Act 1984, to ensure public and road safety.
- (6) None. Escorts are usually provided for processions the subject of a permit to ensure safety and free flow of traffic.

#### POLICE - OFFICERS

##### *Resignations - Interviews*

363. Hon MARK NEVILL to the Attorney General representing the Minister for Police:

- (1) Has the Western Australia Police Service interviewed officers who have left the Police Service?
- (2) What is the result of those interviews?
- (3) What action has been taken as a result of that information gained in (2) above?

Hon PETER FOSS replied:

- (1) No.
- (2)-(3) The exit interview process is currently not being used, but a review is now under way.

#### TOURISM - ELLE CAMPAIGN

##### *Costs*

460. Hon TOM STEPHENS to the Minister for Tourism:

- (1) Will the Minister provide the House with a breakdown of all costs incurred by the Government for the Elle promotion?
- (2) In the breakdown of all costs will the Minister indicate to whom the money was paid and the amounts paid to each person or group?
- (3) Will the Minister also provide the House with the estimated future costs of the Elle promotion?
- (4) If no to any of the above, why not?

Hon N.F. MOORE replied:

This information is detailed in the "Synopsis of Brand WA Strategy Advertising Costs" as tabled in Parliament on 7 May, 1997.

#### TOURISM - ELLE RACING

##### *Funding*

461. Hon TOM STEPHENS to the Minister for Tourism:

With regard to the \$1m being provided to Elle Racing Pty Ltd by the Western Australian State Government -

- (1) How much in total has been provided, to date, to Elle Racing?
- (2) Of the amount provided, what were the instalments paid and when were these instalments paid?

- (3) What is the process by which various amounts of money are allocated?
- (4) What auditing mechanism, if any, is in place to ensure taxpayers' money is being spent according to contractual agreements?
- (5) Out of which department's budget, and which program allocation, is the money being paid?

Hon N.F. MOORE replied:

- (1)-(2) By cheques, the following payments have been made in respect to the WATC - Elle Racing Pty Ltd contract:

\$100,000	14/11/96	- due on execution of Agreement
\$200,000	14/11/96	- due on launch of Brand WA campaign
\$140,000	19/12/96	- due on 15 December 1996

3. The above payments were allocated in accordance with the contract between WATC - Elle Racing Pty Ltd dated 5/11/96.
- (4) The WATC Board of Commissioners approved the schedule of payments under the contract with Elle Racing and the Finance Committee of the WATC Board approved each individual payment in order for it to be made. These payments are also subject to the WATC's normal internal and external audit process.
- (5) The expenditure is being met by the Western Australian Tourism Commission through its program titled "Promotion of Western Australia as a Tourist Destination".

#### MICKELBERG CASE - POLICE RAID ON PREMISES

##### *Strip Searches*

495. Hon MARK NEVILL to the Attorney General representing the Minister for Police:

I refer to the police raid on the Mickelberg's residences on May 15, 1997 -

- (1) Were any people strip searched when police raided the homes of Mr R Mickelberg and Mr P Mickelberg?
- (2) If yes, how many?

Hon PETER FOSS replied:

- (1) Yes.
- (2) Two persons were partially strip searched.

#### MICKELBERG CASE - DR D BAXENDALE

##### *Fax*

506. Hon MARK NEVILL to the Attorney General representing the Minister for Police:

I refer to the police raid on Mr P Mickelberg's residence on May 15, 1997 -

- (1) Were police officers aware of the fax from Dr D Baxendale prior to the police raid?
- (2) Was an instruction given, either verbally or in writing, to seize this fax sent by Dr D Baxendale to Mr P Mickelberg?
- (3) Which police officers have read the fax in part or in whole?
- (4) To whom and when has the information in the fax been communicated?

Hon PETER FOSS replied:

- (1)-(2) No.
- (3)-(4) None.

#### MICKELBERG CASE - DR D BAXENDALE

##### *Fax*

507. Hon MARK NEVILL to the Attorney General representing the Minister for Police:

I refer to the police raid on Mr P Mickelberg's residence on May 15, 1997 -

Who ordered the seizure of the fax sent by Dr D Baxendale to Mr P Mickelberg from Mr Peter Mickelberg's home?

Hon PETER FOSS replied:

No instruction for the seizure of the document was given.

**FISHERIES - SOUTH COAST PURSE SEINE MANAGED FISHERY**

*Endangered Stock*

563. Hon KIM CHANCE to the Minister for Transport representing the Minister for Fisheries:

With regard to the South Coast Purse Seine Managed Fishery -

- (1) Does the effect of the Minister for Fisheries' decision, as outlined in the Legislative Council Estimates Committee on May 28, to treat the five zones of the South Coast Purse Seine Managed Fishery as a single entity mean that excess effort in Albany Zones (1) and (2) will be relocated to the Esperance Zone (4)?
- (2) With the Albany Zones now at the point of total collapse, will the increased exploitation of the Esperance zone further endanger stocks at Albany by reducing the possibility of additional stock recruitment into zones (1) and (2)?
- (3) What effect will the transference of effort into Esperance have on the quota of the existing Esperance based licensees?

Hon E.J. CHARLTON replied:

- (1)-(3) Under the new management arrangements there is now one South Coast Purse Managed Fishery which is divided into catching zones for the purpose of managing the take of small pelagic fish within the fishery in relation to the overall recruitment throughout the entire fishery. Individual access has been allocated in relation to the recruitment in each zone.

For the 1997/98 licensing period, previous Zone 1 and Zone 2 licensees will be permitted to take an additional 2.5 tonnes per unit in Zone 4. However, it is possible under these arrangements that at some time in the future licensees with entitlements to Zone 4 will be permitted to take some of their entitlement in Zones 1, 2 or 3 depending on the availability of fish in the other zones.

For the current licensing period, reviewed Managed Fishery Licences will be forwarded to the licensees concerned (which reflect the relevant changes listed above) as soon as possible after gazettal of the legislation.

**QUESTIONS WITHOUT NOTICE**

**TOURISM - ELLE RACING**

*Contract - Date*

**535. Hon TOM STEPHENS to the Minister for Tourism:**

When I asked the Minister last week, on 11 June, when the decision was made to spend \$1m of taxpayers' money on Elle Racing Pty Ltd, he answered -

The Western Australian Tourism Commission commissioners approved the contract between WATC and Elle Racing on 12 November 1996.

- (1) Can the Minister confirm that the contract between Elle Racing Pty Ltd and the WATC was signed on 5 November 1996?
- (2) If yes, can the Minister explain how the contract of \$1m was signed one week before the WA Tourism Commission had made the decision to approve the contract?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) The WA Tourism Commission signed the Elle Racing contract on 12 November 1996.

- (2) Not applicable.

ROADS - FREMANTLE-ROCKINGHAM CONTROLLED ACCESS HIGHWAY

*Deviation - Port Catherine Residential Marina*

**536. Hon J.A. SCOTT to the Attorney General representing the Minister for Planning:**

- (1) Has the Ministry of Planning entered into any agreement, or held any discussions, with the developer of the proposed Port Catherine residential marina to deviate the proposed Fremantle-Rockingham controlled access highway around the proposed residential area?
- (2) If yes -
  - (a) what public consultation took place prior to this change;
  - (b) on what grounds have they deviated or will they deviate around the proposed Port Catherine development; and
  - (c) how many additional dwellings will this allow at Port Catherine?
- (3) What procedures must be followed to alter the existing metropolitan region scheme, and were these procedures undertaken for this deviation around the proposed Port Catherine residential area?
- (4) What will be the estimated extra cost incurred as a result of the increased length and associated earthworks required by this deviation, and who will pay this cost?

**Hon PETER FOSS replied:**

I thank the member for some notice of this question.

- (1) The Western Australian Planning Commission, not the Ministry for Planning, is a party to an agreement. The project agreement requires the developers, PCD, to seek the necessary approvals to realign the existing road reservation.
- (2)
  - (a) A metropolitan region scheme amendment has been initiated and full public consultation will take place under the statutory procedures.
  - (b) Any alignment of the road reserve will be subject to the MRS amendment process.
  - (c) The extent of any urban development will be subject to the MRS amendment.
- (3) The Western Australian Planning Commission has commenced the statutory process for an amendment to the MRS.
- (4) The cost of the road will follow more detailed design work which is being progressed in conjunction with the MRS amendment.

TOURISM - ELLE RACING

*Letter of Endorsement*

**537. Hon TOM STEPHENS to the Minister for Tourism:**

With reference to the letter of endorsement between Elle Macpherson and the WA Tourism Commission, I ask -

- (1) Who prepared the letter?
- (2) When was the letter signed?
- (3) Is the letter referred to on the freedom of information document schedule as a "deed poll" document dated 17 December 1997?
- (4) If no to (3), what are the deed poll documents?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) The Crown Solicitor's Office.
- (2) Some time prior to 12 November 1996.

- (3) No. Please note that the deed poll was dated 17 December 1996, not 17 December 1997.
- (4) The document is an agreement whereby a proportion of the sponsorship of Elle Racing, which was defined in the WATC-Elle Racing contract as to be wholly or partly contra, was defined and discharged in full.

FORESTS AND FORESTRY - REGIONAL FOREST AGREEMENT

*Completion*

**538. Hon NORM KELLY to the Minister representing the Minister for the Environment:**

- (1) Does the Minister expect a regional forest agreement to be signed by the end of 1997?
- (2) If not, when does the Minister expect the regional forest agreement process to be completed?
- (3) Will the Minister ensure that all environmental and social impact assessments are completed before a regional forest agreement is signed?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1)-(2) The Commonwealth and State Governments expect the comprehensive regional assessment phase of the regional forest agreement to be completed by the end of 1997. The integration of data and development of resources use options, with the involvement of stakeholders, will also commence by the end of 1997. This will lead to the signing of an agreement shortly thereafter.
- (3) Yes. The Commonwealth and Western Australia have agreed to define a cooperative environmental impact assessment of the draft regional forest agreement which meets the statutory requirements of both Governments. Social impact assessments will be carried out as an important part of the socioeconomic assessment and integration phases of the regional forest agreement.

TOURISM - ELLE RACING

*Yacht Viewing*

**539. Hon TOM STEPHENS to the Minister for Tourism:**

With reference to the trip by Mr Shane Crockett to Sydney last week, I ask -

- (1) Did either Mr Crockett or Mr Richard Goldsmith, a consultant yachtsman, inspect the Elle Racing yacht on this trip?
- (2) If not, why not?
- (3) Who paid for the airfare and accommodation of Mr Goldsmith on this journey?
- (4) What were the total costs associated with the trip for Mr Crockett and Mr Goldsmith?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) Mr Crockett did not inspect the yacht. I am unaware whether Mr Goldsmith inspected the vessel. Mr Goldsmith is not an agent of the Western Australian Government.
- (2) There was no need for Mr Crockett to inspect the yacht.
- (3) The WA Tourism Commission is not aware who paid for Mr Goldsmith's costs. It was not the Tourism Commission.
- (4) It was an airfare of \$904 for Mr Crockett.

POLICE - SELECT COMMITTEE ON THE WESTERN AUSTRALIA POLICE SERVICE

*Recommendations - Ms Jeannie Angel*

**540. Hon N.D. GRIFFITHS to the Attorney General:**

I refer to the recommendations of the Select Committee on the Western Australia Police Service in the report tabled on 19 June 1996 that Ms Jeannie Angel was owed substantial compensation and an apology.

- (1) Has an apology been made, and if so, when and by whom; if not, why not?
- (2) Has compensation been made, and if so, in what amount and when; if not, why not?

**Hon PETER FOSS replied:**

I ask that the question be put on notice.

#### TRANSPORT - BUS

##### *School - Albany Meeting*

**541. Hon MURRAY MONTGOMERY to the Minister for Transport:**

Is the Minister able to advise the House of any outcomes of the meeting today in Albany regarding school buses?

**Hon E.J. CHARLTON replied:**

I attended a meeting in Albany today with representatives of schools - both principals and parents - the Shire of Albany, Main Roads and the Department of Transport school bus section. We heard concerns expressed by some parents from areas which have come under a new fare paying arrangement in Albany.

To summarise the outcome, the fare increase will be held off until the end of the year for parents paying the new fares for the first time. They will pay the 70¢ fare, not the additional 10¢ to be required. I have asked Main Roads, the Shire of Albany and the Town of Albany to identify a quick solution for installing a dual path or appropriate facility on which people may ride bikes or walk to school. This step seeks not only to overcome the transport problem in riding to school rather than catching the bus, but also to provide a community amenity. I look forward to the facility being provided forthwith. It was a good meeting with a good outcome; I think everybody got something out of it.

#### SHARK BAY - PINK SNAPPER

##### *Ban*

**542. Hon GIZ WATSON to the Minister representing the Minister for Fisheries:**

In respect of the Minister's announcement that he has reversed his decision to ban the taking of pink snapper from the eastern gulf of Shark Bay, I ask -

- (1) Has the Minister received new scientific information from the Fisheries Department to support this decision?
- (2) If not, can the Minister explain why he has reversed his decision?
- (3) Is the Minister aware that last year, the average recreational catch of pink snapper was only one or two fish?
- (4) Does the Minister therefore accept that a bag limit of two snapper results in no net reduction in catch?
- (5) Is the Minister concerned that the average catch of pink snapper was only two fish when the bag limit was higher?
- (6) Does the Minister consider that there should be a reduction in pink snapper catch in the eastern gulf of Shark Bay?

**Hon E.J. CHARLTON replied:**

I am sorry that I do not have an answer to that question. I was advised at the beginning of question time that it was hoped the answer would be here before the end; if it is, I will advise the member accordingly.

#### FUEL AND ENERGY - GAS

##### *Pipeline - North West*

**543. Hon HELEN HODGSON to the Leader of the House representing the Minister for Resources Development:**

- (1) Have the tender documents been drawn up in respect of the sale of the north west gas pipeline or are they in the process of being drawn up?
- (2) What provision do, or will, these documents make in respect of preservation and continuity of AlintaGas employee entitlements to accrued annual leave; accrued sick leave; accrued long service leave; other accrued leave; and superannuation by way of lump sum or pension?

- (3) What provision will be made for employees made redundant as a consequence of the sale of the north west gas pipeline in respect of redundancy payments; entitlements to accrued sick leave, accrued annual leave, accrued long service leave and other accrued leave; and superannuation by way of lump sum or pension?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) Tender documents have not been prepared. However, an information memorandum is currently being prepared, which will be distributed to potential buyers. The information memorandum primarily includes the terms and conditions of the sale, description of the pipeline and related facilities, description of the easement, outline of the regulatory environment, and overview of the gas industry in Western Australia.
- (2)-(3) The information memorandum has not yet been finalised. It will deal with the matters contained within the questions. However, the precise approach has not been finalised and has yet to be formally approved by the AlintaGas Board. All employees are being kept informed of developments surrounding the sale process of the Dampier to Bunbury natural gas pipeline.

#### SEWERAGE - INFILL PROGRAM

##### *Television Campaign*

**544. Hon KEN TRAVERS to the Minister representing the Minister for Water Resources:**

I refer to the Water Corporation's recent infill sewerage television campaign.

- (1) What was the total cost of the television campaign?
- (2) How many households can be, but are not yet, connected to the sewerage system?
- (3) What was the estimated penetration of this target group by the television commercials?
- (4) What alternative methods were considered by the Water Corporation for communicating this message to the target group?
- (5) What were the estimated costs of these alternative methods of communication?
- (6) Why were the television commercials chosen over alternative methods of communicating with the target group?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) \$169 831.
- (2) Approximately 25 000.
- (3) It is estimated that 97 per cent of the target audience received the campaign message and that every person who saw the commercials saw them, on average, nine times over the six week campaign.
- (4) The only alternative considered which could achieve similar penetration was the daily newspaper.
- (5)-(6) The newspaper option was not considered further, nor was its cost determined, because to achieve the same penetration as the television commercials, a greatly extended campaign would have been necessary.

#### ENVIRONMENT - CONSULTANTS

##### *Scientific Accuracy of Claims*

**545. Hon CHRISTINE SHARP to the Minister representing the Minister for the Environment:**

- (1) Is the Minister aware that three separate reviews commissioned by the former Australian Nature Conservation Agency, now called Environment Australia, were critical of the scientific accuracy of claims made by environmental consultants Bowman Bishaw Gorham, with regard to the Harbour City project at Mandurah, about the value of the Creery wetlands to wading birds?
- (2) Will the Minister introduce a peer review for scientific information in environmental assessment documents to ensure public confidence in the credibility and accuracy of the science of claims made by environmental consultants?



I humbly request the Minister for Finance to answer clearly because I always have great difficulty hearing his answers in this House.

**Hon MAX EVANS replied:**

It is for that reason only that we give members a printed copy of the answer; I hope the member can read the answer. In this case, it will not matter, because the question requires detailed research, and I therefore request that the question be placed on notice.

POLICE - SELECT COMMITTEE ON THE WESTERN AUSTRALIA POLICE SERVICE

*Recommendations - Mr James Heaney*

**546. Hon N.D. GRIFFITHS to the Attorney General:**

I refer to the recommendation of the Select Committee on the Western Australia Police Service in the report tabled on 19 June 1996 that Mr James Heaney was owed substantial compensation and an apology. Has an apology been made; if so, when and by whom; and if not, why not? Has compensation been paid; if so, what amount, and when?

**Hon PETER FOSS replied:**

No. The matter is still being considered by the Crown Solicitor's Office.

FORESTS AND FORESTRY - PEMBERTON MILL

*Viability - Analysis*

**547. Hon NORM KELLY to the Minister representing the Minister for the Environment:**

- (1) In evidence to the Legislative Council Estimates Committee, the Executive Director of the Department of Conservation and Land Management stated that, at the request of the Minister, CALM had carried out an analysis of the impact of the long term viability of the Pemberton mill without the long term logging of Giblett block. Will the Minister table a copy of that analysis?
- (2) If not, why not?
- (3) Has the Minister made any attempt to examine alternative supplies of karri logs for the Pemberton mill to substitute for logs planned to come from Giblett block in 1997; if so, can these results be tabled?
- (4) If not why not?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question. It will require detailed research to provide the member with an answer, and I therefore ask that the question be put on notice.

ROADS - FREMANTLE

*Bypass - Appeals*

**548. Hon J.A. SCOTT to the Minister representing the Minister for the Environment:**

- (1) Have all appeals against the Environmental Protection Authority's level of assessment for the Fremantle eastern bypass been considered?
- (2) If yes -
  - (a) have all groups and individuals who appealed the level of assessment been notified, or when can they expect to be notified;
  - (b) has the Minister decided to direct the EPA to assess the environmental impacts of the Fremantle eastern bypass; if so, what level of assessment will this be?
- (3) If not -
  - (a) when will the appeals be considered;
  - (b) what was the cause of the delay in assessing the appeals to the level of assessment?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) The appeals are still being considered.
- (2) Not applicable.
- (3)
  - (a) The appeals are currently under consideration.
  - (b) All relevant information is being taken into account prior to determining the appeals.

BUILDING INDUSTRY - BUILDING AND CONSTRUCTION INDUSTRY TASK FORCE

*Police Officers - Secondment*

**549. Hon TOM STEPHENS to the Attorney General representing the Minister for the Police:**

- (1) Have any police officers been seconded to or worked in conjunction with the Government's Building and Construction Industry Task Force?
- (2) If yes, how many officers; when did they work with the task force; who requested they be seconded to work with the task force; and on what investigations did the police officers work?

**Hon PETER FOSS replied:**

I thank the member for some notice of this question. I received the question yesterday, and at that stage I requested the member to place it on notice.

LIQUOR - LICENSED PREMISES

*Broome*

**550. Hon TOM STEPHENS to the Minister for Racing and Gaming:**

- (1) How many liquor licences are currently held for premises in the Broome community?
- (2) Will the Minister please table a list of those premises?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) Thirty-five liquor licences; I do not suggest the Leader of the Opposition take one out!
- (2) I seek leave to table the document requested by the member.

[Leave granted.] [See paper No 531.]

INDUSTRIAL RELATIONS - ACT

*Part VIA Investigations - Minister's Involvement*

**551. Hon MARK NEVILL to the Attorney General representing the Minister for Labour Relations:**

I refer to the statement of prosecution policy of the Department of Productivity and Labour Relations, particularly that part which concerns part VIA prosecutions under the Industrial Relations Act.

- (1) What directions has the Minister given under section 98(2) of the Industrial Relations Act with regard to the conduct of investigations by industrial inspectors, and the laying of charges, as provided for in the prosecution policy?
- (2) Are the Minister's directions in writing or oral?
- (3) What involvement does the Minister have in the selection and appointment of industrial inspectors; the allocation of inspectors to particular investigations; and the priority allocated to particular investigations?
- (4) Does the Minister discuss the conduct or progress of part VIA investigations with individual inspectors?

**Hon PETER FOSS replied:**

I thank the member for some notice of this question.

- (1) None. A general direction from the Minister to industrial inspectors is given in respect of securing the observance of the Act.
- (2) Not applicable.
- (3) None.
- (4) No.

#### HEALTH - PATHOLOGY

##### *Privatisation - Effect on PathCentre Services*

**552. Hon KIM CHANCE to the Minister representing the Minister for Health:**

- (1) Is the Minister aware that on page 23 of the PathCentre annual report 1996, the warning is given that privatisation and semi-privatisation of health services including pathology "have enormous implications for PathCentre's ability to continue the high quality service to the people living in the country areas of Western Australia"?
- (2) Has the Minister taken account of the fact that privatisation of the most profitable components of a service might reduce the capacity to service country people's needs?
- (3) If so, has he made provision to increase funding to the PathCentre in order that country people will not be further disadvantaged by the Government's economic rationalist policies?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) Yes.
- (2) Yes. The policy that established the PathCentre made specific provision for services and staffing in the country. Policy for Pathology Services in WA, section 7.7 -

Country branch laboratories will be subject to a further limitation in that any contestability will be on the basis that the level of service currently provided in the region must continue to be provided in the region. The Commissioner of Health will monitor closely the provision of public pathology services in country regions to ensure these requirements are adhered to.

Policy for Pathology Services in WA, section 5.2 -

The Government is committed to ensuring that country people have timely access to pathology services and that there continue to be appropriate levels of pathology staff in country regions.

- (3) No. The existing level of funding includes provision for the services in country areas.

#### GENDER REASSIGNMENT BILL (No 2) - SECOND READING

**553. Hon HELEN HODGSON to the Attorney General:**

The second reading of the Gender Reassignment Bill (No 2) was adjourned in the Legislative Assembly on 9 April 1997. When will the second reading debate of the Bill be resumed?

The PRESIDENT: Order! That question is out of order. It seeks an opinion of the Attorney General on proceedings in the other place. That is not a matter the Attorney General is in a position to answer.

#### COMMERCE AND TRADE - WORLD MINING AND ENERGY GAMES

##### *Funding - Details*

**554. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Commerce and Trade:**

With regard to the \$20 000 provided by the Department of Commerce and Trade towards the World Mining and Energy Games held in 1995 -

- (1) By what process was this money given?
- (2) When was the money given and to whom was it given?
- (3) Has the department contributed to any similar events and, if so, which events?

**Hon N.F. MOORE replied:**

I do not appear to have a copy of the question or answer. I suggest the member place the question on notice.

**TOURISM - ELLE RACING**

*Yacht Viewing*

**555. Hon TOM STEPHENS to the Minister for Tourism:**

In relation to the monitoring carried out by the Western Australian Tourism Commission on the Elle Racing contract -

- (1) On how many occasions has the yacht been viewed by a representative of WATC?
- (2) When was the last time the yacht was viewed?
- (3) At the stage of the last viewing, what was the estimated time of completion of the construction?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) Once.
- (2) 8 April 1997.
- (3) Six to nine weeks.

**CINEMA COMPLEXES - JOONDALUP**

*Contract - Terms*

**556. Hon BOB THOMAS to the Minister representing the Minister for Lands:**

- (1) Has a contract been signed with a company to operate the Joondalup cinema complex?
- (2) If yes, who are the signatories to the contract?
- (3) What are the terms of the contract?
- (4) If no, what are the reasons for the delay and when does the Government expect a contract will be signed?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) Yes, a heads of agreement contract has been signed.
- (2) Signatories to the contract include Western Australian Land Authority, Perpetual Trustees WA Pty Ltd and Amalgamating Holdings Ltd - trading as Greater Union.
- (3) The contract is commercially based and a confidentiality clause prevents disclosure of terms and conditions.
- (4) Not applicable.

**INDUSTRIAL RELATIONS - ACT**

*Part VIA Investigations - Priority*

**557. Hon MARK NEVILL to the Attorney General representing the Minister for Labour Relations:**

- (1) Are industrial inspectors obliged to -
  - (a) begin investigations of alleged breaches of part VIA of the Industrial Relations Act within 24 hours of being allocated the matter for investigation; and
  - (b) give those investigations priority over other investigations?
- (2) Is the Minister's office informed of such investigations?
- (3) If yes, why?
- (4) Are industrial inspectors obliged to begin investigations of alleged breaches of awards and underpayment of wages within the same time period and accord them an equal priority to part VIA matters?

(5) If not, why not?

**Hon PETER FOSS replied:**

I thank the member for some notice of this question.

- (1) (a) Yes, if practicable.  
(b) Yes.
- (2) Yes.
- (3) The Minister has a statutory role in the enforcement of breaches of part VIA.
- (4) No.
- (5) Applications for enforcement for alleged breaches of awards may be lodged in the Industrial Magistrate's Court for hearing within six years from the time of the alleged breach. Part VIA matters are required to be lodged within 12 months of the offence.

#### SCHOOLS - STAFF

##### *Local Selection*

**558. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Education:**

- (1) Has any money been allocated for a trial implementation of local selection of staff?
- (2) Will there be an evaluation of the systemic and school level consequences on implementing local selection of staff?
- (3) How much consultation has occurred with parent bodies and the wider community?
- (4) Has there been any consultation on this major policy direction with the broader community?
- (5) Is this policy initiative part of the local area education framework?
- (6) How many jobs are likely to be lost from the human resources section of the Education Department?
- (7) How many would be lost as a direct result of the implementation of local staff selection?
- (8) Does the Minister agree that there is a risk in this process that more affluent areas will be able to attract through a range of incentives better teachers than those schools with fewer resources?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question. As I have not been able to have an answer provided in the time available, I ask the member to place the question on notice.

#### TOURISM - ELLE RACING

##### *Yacht Viewing*

**559. Hon TOM STEPHENS to the Minister for Tourism:**

According to media reports the Chief Executive Officer of the Western Australian Tourism Commission, a solicitor from the Crown Solicitor's Office and a consultant yachtsman flew to Sydney to have talks with Mr Harvey and view the Elle Racing yacht.

- (1) Will the Minister confirm this trip occurred?
- (2) If yes -
  - (a) Was Mr Harvey asked whether the yacht could be viewed by any member of the delegation?
  - (b) If yes, what was his reply?
  - (c) If no, why not?

**Hon N.F. MOORE replied:**

I thank the member for some notice of this question.

- (1) Yes. Mr Goldsmith is not a consultant with the WATC.
- (2) (a) Not by either Mr Crockett or the solicitor from the Crown Solicitor's Office.

- (b) Not applicable.
- (3) No purpose would be served in viewing the yacht.

ADOPTIONS - ACT

*Contact Vetoes*

**560. Hon CHERYL DAVENPORT to the Minister representing the Minister for Family and Children's Services:**

In relation to the Adoption Act 1994, how many contact vetoes were placed by relatives of adoptees in 1995 and 1996?

**Hon E.J. CHARLTON replied:**

I thank the member for some notice of this question.

Four relatives not parties to the adoptions had placed contact vetoes under the Adoption Act 1994 up to 31 December 1996

CINEMA COMPLEXES - JOONDALUP

*Contract - Selection Criteria*

**561. Hon BOB THOMAS to the Minister representing the Minister for Lands:**

- (1) Was a tender process used to select a company to operate the Joondalup cinema?
- (2) If yes, what were the eligibility criteria used to determine whether a company was permitted to tender?
- (3) Were any objections received to the selection criteria?
- (4) If yes, by whom were the objections lodged and what was the nature of the objections?
- (5) Who were the applicants from which the final selection was made?
- (6) Who was involved in the selection process, including the selection panel?
- (7) What were the criteria used to determine the final selection?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

- (1) No, expressions of interest followed by negotiation process.
- (2) Not applicable.
- (3) No.
- (4) Not applicable.
- (5) Grand Theatre Company and Greater Union.
- (6) Armstrong Jones' representative, LandCorp representative, asset manager and project manager and relevant boards including Armstrong Jones Ltd, Perpetual Trustees WA Ltd and the Western Australian Land Authority.
- (7) Financial strength  
Industry experience  
Film product availability  
Lease terms and conditions  
Breadth of potential entertainment offer.

TOURISM - ELLE RACING

*Briefings of Premier and Minister*

**562. Hon TOM STEPHENS to the Minister for Tourism:**

Some notice of this question has been given.

- (1) In the period 1 July 1996 to 1 January 1997 how many briefings did the Minister and the Premier have on the Elle Racing proposal?
- (2) When did those briefing take place
- (3) Who attended each of those briefings?

**Hon N.F. MOORE replied:**

I do not appear to have an answer to that question. However, I did read something about it in today's *The West Australian* so I suspect this question has been asked of the Premier already. Perhaps the member would like to read today's *The West Australian* and find out the answer.

WATER CORPORATION - PUBLIC OPINION SURVEY

**563. Hon KEN TRAVERS to the Minister representing the Minister for Water Resources:**

- (1) Is the Water Corporation or any other agencies under the control of the Minister having a public opinion survey carried out on their behalf?
- (2) If yes -
  - (a) what is the nature and purpose of the surveys;
  - (b) what is the total cost of the surveys; and
  - (c) will the Minister make the findings of the surveys public?

**Hon MAX EVANS replied:**

I thank the member for some notice of this question.

Office of Water Regulation

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

Water and Rivers Commission

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

Swan River Trust

- (1) Yes.
- (2)
  - (a) The survey has been commissioned to determine community views on the state of the river and its shoreline reserves, the management of those areas, and the extent to which environmental and recreational aspects of these areas meet the expectations of the community.
  - (b) \$20 000.
  - (c) Results from the survey will be used in the Swan River Trust's annual report as part of its performance indicators. It will also assist the trust in the development of its long term plans for the protection and management of the waterways and shoreline reserves that make up the Swan River Trust's management area.

Water Corporation.

- (1) Yes.
- (2)
  - (a) A quality survey is being conducted to ascertain customer satisfaction with the services provided and to understand how the service may be improved. A number of other specific surveys evaluate customer responses to programs, such as infill sewerage and WaterWise, as well as issues such as ocean disposal of wastewater and water restrictions.
  - (b) \$208 790.
  - (c) Overall, results are made publicly available through the Water Corporation's annual report.

## PASTORAL INDUSTRY - PASTORALISTS

*Ashburton - Flood Damage Assistance***564. Hon KIM CHANCE to the Minister representing the Minister for Primary Industry:**

I refer the Minister to government statements on the matter of assistance to pastoralists whose property suffered infrastructure damage from the flooding of the Ashburton River in February this year. In particular I refer to the Premier's reported statement on Radio 6PR on 1 April to the effect that "with flooding of this type there is a facility available for low interest loans".

- (1) Will the Minister clarify the Government's response to the Ashburton River's flooding allowing for the present policy in such cases which excludes the type of loan the Premier described?
- (2) In order that Ashburton pastoralists can get on with planning, financing and reconstruction will the Minister clearly advise -
  - (a) if long term low interest loans are available to them; or
  - (b) if pastoralists will be required to obtain commercial loans and apply to the Rural Adjustment and Finance Corporation of Western Australia under interest subsidy arrangements?

**Hon E.J. CHARLTON replied:**

I have not received an answer from the Minister. Perhaps, the member can put the question on notice.

*Point of Order*

Hon TOM STEPHENS: Mr President, would you advise the House what would be the process for ensuring that question time is extended to accommodate a number of questions which we would like to ask? If the Government persists in cutting question time off after a half an hour the Opposition will not be able to ask all its questions.

Hon N.F. Moore: There never used to be a time limit before Joe Berinson brought it in.

The PRESIDENT: Order! I am not sure that the Leader of the Opposition has raised a point of order. However, he would be aware that the period allotted each day for question time in this place is at the discretion of the Leader of the House. The President retains the right to bring question time to a close under particular circumstances. However, the matter the Leader of the Opposition raises will need to be taken up with the Leader of the House. Past experience, certainly for the time that I have been in this House, has shown that 30 minutes has satisfied the House. But, again, the Leader of the Opposition will have to take up the matter he raises with the Leader of the House.

Hon TOM STEPHENS: Mr President, I took up with the Leader of the House, at his invitation, the order of business this week, and the item I wanted priority for is now at the bottom of the Notice Paper.

The PRESIDENT: Order! That is not a point of order and it is not something that the Leader of the Opposition can debate with me. If he is not satisfied with some arrangements that he may have entered into with the Leader of the House that is a matter for him to take up with Hon Norman Moore. Facilities are available through standing orders for the Leader of the Opposition to cause the House to make a determination on matters he raises.

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