

Legislative Assembly

Tuesday, 26 June 1990

THE SPEAKER (Mr Barnett) took the Chair at 2.00 pm, and read prayers.

PETITION - MT LESUEUR

Coal Mining and Power Stations - Opposition

MR KIERATH (Riverton) [2.02 pm]: I have a petition in the following terms -

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

We, the undersigned, request that the Parliament, in recognition of the immense biological diversity and importance of the Mt Lesueur area:

- 1) create a National Park with boundaries as recommended by the Environmental Protection Authority,
- 2) no coal mining or power stations be permitted within the boundaries or adjacent to the Mt Lesueur National Park.

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

The petition bears 51 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 62.]

PETITION - CRIMINAL CODE AMENDMENT (INCITEMENT TO RACIAL HATRED) BILL

Urgent Legislation

MR DONOVAN (Morley) [2.04 pm]: Mr Speaker, I have the following petition -

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

We, the undersigned citizens of Western Australia, humbly petition that Parliament act in a bipartisan manner, without further delay or amendments, and as a matter of extreme urgency ensure the prompt passage of the Criminal Code Amendment (Incitement to Racial Hatred) Bill to help curb the incidents of racism and discrimination in this State.

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

The petition bears 22 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 63.]

PETITION - AUSTRALIA DAY

January 26 Public Holiday Gazetted

MR KOBELKE (Nollamara) [2.06 pm]: I have a petition in the following terms -

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

We, the undersigned Citizens of Western Australia hereby request that in future years Australia Day the 26th of January be Gazetted as the Public Holiday irrespective of the day it falls. For example this year 1990 the 26th of January was a Friday that should have been the gazetted Public Holiday.

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

The petition bears 37 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 64.]

MATTER OF PUBLIC IMPORTANCE - TAXES AND CHARGES

Increase - Condemnation

THE SPEAKER (Mr Barnett): Earlier today, in the allotted time, I received a letter from the Leader of the Opposition seeking to debate as a matter of public importance the Government's proposed increases in State charges.

If sufficient members agree to this motion, I will allow it.

[At least five members rose in their places.]

The SPEAKER: In accordance with the Sessional Order, half an hour will be allocated to each side of the House for the purpose of this debate.

MR MACKINNON (Jandakot - Leader of the Opposition) [2.11 pm]: I move -

That this House condemns the Premier's decision to increase key State charges by 7.9 per cent as -

- (a) The Premiers' Conference outcome may well show these decisions to be incorrect and give the Commonwealth an advantage in a negotiating sense;
- (b) The Commonwealth's decision to reduce the amount of untied grants to the State means that flexibility in State decision making has been reduced;
- (c) The cost of charges to business has been identified as a prime factor in the difficulty in attracting industry to this State and these imposts will further exacerbate the problem;
- (d) The underlying factor determining the level of increases in taxes and charges should be the cost of their delivery and not the CPI (which has been fuelled by taxes and charges previously increased by the State Government);

and calls on the Government to defer the implementation of these increases by six months to provide the circuit breaker necessary to induce a reduction in the rate of inflation and to promote the relief necessary to the thousands of Western Australian families who are finding it difficult to make ends meet.

As Premier, Dr Lawrence has made some remarkable statements, but none more astounding than her recent announcement that the increase in Government charges across the board would be in the order of 7.9 per cent. When questioned she stated that those increases equated to \$2.50 a week per family which she thought was the cost of a hamburger and which would be easily accommodated by those families. That statement has shown the Premier's monumental ignorance in addressing such matters. Firstly, the cost of a hamburger to the average family is much more than \$2.50. When one looks at the costs imposed - SECWA 7.9 per cent; the Water Authority of Western Australia 7.9 per cent; Transperth 7.4 per cent; drivers' licences 7.1 per cent - and relates them to the figures in last year's Consolidated Revenue Fund and Budget papers, revenue from the increased charges will total \$149 773 486 this year. Those increases will bring in, on last year's estimates, \$150 million a year. That figure, divided by the number of families in Western Australia, totals \$375 a year a family or \$7.20 a week a family. That is quite different from the \$2.50 quoted by the Premier.

The Premier must be naive to think that those taxes and charges would only be levied on families. Clearly that is not the case as business people have families and they will be imposed upon in their businesses as well as in their homes. Businesses pass on the costs involved in taxes and charges and, as a consequence, the increased charges will cost each family in this State in the order of \$7.20 a week. That is the cost of not one hamburger, but

three. It is interesting to note that that \$150 million equates with the interest that would have been paid on the \$850 million that the State Government lost on WA Inc dealings. The revenue gained equates to the interest on the moneys lost.

The Premier's ignorance about the burden of the increases was highlighted when she said, "I think a hamburger costs \$2.50 and that will be easy for families to accommodate." She does not understand that for many families - unlike her own - hamburgers are a once a week treat and those people will now have to do without that treat. The cost to them is significant and it will not be easy for them to accommodate the increase.

With these increases, the Premier has ignored entirely the costs and hardships already being felt by the people of Western Australia. They face the highest inflation rate in Australia and under those cost burdens they will be worse off than their counterparts in the Eastern States. I remind members that the fuel levy was increased by 36 per cent, financial institutions duty by 7.5 per cent, charges for electricity and gas have risen by 12.3 per cent and water charges by 26 per cent. Those increases are not within the inflation rate. All of those charges have pushed the inflation rate of this State to the highest in Australia and the families in this State are suffering as a consequence, not because of inflation but because of the record interest rates and growing unemployment. Rather than it being easy for the families of this State to accommodate those increases, it will be very difficult indeed.

The Premier took the people of Western Australia as fools when she stated, "I am only increasing these costs at below the rate of inflation." The people of Western Australia know that their incomes do not necessarily go up with the rate of inflation. The Premier's argument is that wages and income should be increased according to productivity increases and not be tied to some magical hike in the consumer price index. An additional argument put forward by this Government is that it will reduce costs because of increased productivity. Were that to happen the taxes and charges should not be going up by the rate of inflation, but by less than the rate of inflation to break that CPI spiral.

In 1989, an increase of eight per cent helped fuel the 7.5 per cent inflation rate. That was ratcheted up by a further seven per cent, but it was increased by 0.5 per cent previously which allowed for a 7.5 per cent increase which in turn will fuel an even higher rate of inflation next year. We have been ratcheting ever higher upward and if that is the benchmark the Government uses, the standard of living for every Western Australian family is certain to decline further for every year this Government uses it. Clearly that cost spiral must be stopped in the way that I have outlined in the motion before the House. Taxes and charges should be related to costs.

This Government is loudly proclaiming that all Government agencies are operating more efficiently than ever before. There have been performance reviews, cutbacks and productivity arrangements and as my colleague, the member for Nedlands, indicated the other day, the SEC should be reducing its tariffs, not increasing them. Of course, it is doing the opposite.

Bearing in mind that I have referred to the ratchet effect, how much will fuel tax increase by this year and what effect will it have on the CPI? Why does the Premier or the Government not give any commitment about the fuel tax? Will the fuel tax increase by 30 per cent as it did last year? Western Australians already pay the highest fuel tax, FID, tobacco and liquor taxes in Australia. How much will they go up and when can we expect an announcement from this Government about those matters? As outlined in my motion, these increases in Government charges come at a time when the business community can least afford them.

Last week I went to a meeting of Liberal leaders in Sydney, and there is absolutely no shadow of doubt: Whatever the statistics might tell you, Mr Speaker, the reports from around Australia are that we are in the midst of a very severe recession - one that will last for at least the next 12 to 18 months. And what do we see from this Government in a time of recession? Do we see an understanding that business needs to keep costs down? No, we see this simple cop-out from Government: "We will increase taxes and charges at the rate of inflation; we will ramp the rates to the CPI level", when already business in this State pays some of the highest taxes and charges in Australia. It pays the highest energy costs, the highest payroll tax, the highest stamp duties and the highest fuel tax. Little wonder that business is increasingly finding it difficult to make ends meet, and that a major manufacturer in this State has indicated to me recently that he is seriously considering taking one part of

his operation and relocating it in Queensland, where the costs are much more competitive, and relocating the other part to South-East Asia. That is a clear indication of what business thinks of this Government and its policy on taxes and charges.

Also, ahead of the Premiers' Conference there is little sense in signalling to the Federal Treasurer exactly what we intend to do. The argument will come back that we must have these taxes and charges in place from 1 July, but our argument is that we should put off these increases in taxes and charges for six months to give people breathing space and to break the CPI spiral about which I have spoken. Had that commitment been made, we as a State could have maintained much more pressure on the Federal Treasurer in the discussions to be held over the next couple of days.

If the statements made by the Federal Treasurer this morning are accurate - and I do not believe they are anything but accurate, as they were reports directly attributed to him - we must also bear in mind that we are in need of a much more flexible and creative approach to the question of taxation and taxes and charges in this State, given that the Commonwealth Government has signalled that it intends to exert even more control over this State in the forthcoming Federal Budget by tying an even greater proportion of our State's taxation revenue to direct grants from the Commonwealth. Let me say in advance that I find that statement by the Federal Treasurer reprehensible. It is the biggest step backwards in Federal-State relations to have been taken in the last 20 years if his statement of prediction comes true. To say, as he did, "The States are looking forward to a better deal. We will give them a bit more money and they can be happy, but the price is that there will be direct control on that from Canberra", is blackmail at its worst. It is a giant step backwards in Federal-State relations and shows just how far down the track we have gone under the centralist Hawke Government in Canberra towards becoming a one-Government nation, having a Government centralised in Canberra with all control emanating from Canberra, be it in relation to the road laws, or the environment - both of which we have seen the Federal Government interfering in recently - or be it in relation to health, where this State Minister is powerless to do anything, or education, where we now see the curriculum in Western Australia being directed by the socialist centralists in Canberra.

Dr Gallop: Nonsense!

Mr MacKINNON: That is what is happening, and the Minister well knows it.

Dr Gallop: Rubbish!

Mr MacKINNON: The Minister is well known as a person committed to the centralisation of administration in this country.

Dr Gallop: You do not know what you are talking about.

Mr Lewis: He wrote a thesis on the young Karl Marx.

Mr MacKINNON: He wrote a thesis on the young Karl Marx - I am not surprised. As we have indicated in this motion and in public statements to date, the Government's initiative on the taxes and charges issue should not be to take the easy way out, to ramp up these costs at the rate of inflation or just under it and say, "What a good Government are we." The Government should be taking the initiative on behalf of the people of this State who are looking to the Government for a lead. It should defer these increases for six months to make sure it learns to live within its means and provide a lead to Australia and to our business community, as well as to the community at large. It should show that it does care about the growing number of people on the unemployment lists who are battling to make ends meet. It should allow those people to have the luxury of one or two hamburgers a week - those hamburgers the Premier is now snatching out of their mouths - between now and Christmas. I urge this Parliament to support the motion.

MR COWAN (Merredin - Leader of the National Party) [2.25 pm]: I am very pleased to support this motion on behalf of the National Party. The motion is in three parts. The first part deals with Commonwealth-State relations and refers particularly to funding by the Commonwealth to the States; the second deals with the Government's decision to increase taxes and charges for essential services in this State by a figure that is 0.1 of one per cent below the estimated inflation rate.

Mr Taylor: No, 0.2.

Mr COWAN: Oh, 0.2 of one per cent below the current inflation rate - we should all be grateful! Finally, the motion calls on the Government to defer the decision for six months just to give some breathing space to those people who perhaps cannot afford that extra hamburger a week, or to those businesses which cannot afford the additional impost of taxes and charges.

Mr Wilson: Will you make up the leeway for that six months?

Mr COWAN: I missed the interjection by the Minister for Health and I would be delighted if he would care to repeat it so that I could respond.

A Government member: It might give you something to say.

Mr COWAN: No, it would not.

I turn now to the question of Commonwealth-State relations. I want to quote, from a speech in *Hansard*, the comments of a fairly eminent person in this place, as follows -

All of us would have to acknowledge, as the Commonwealth has done crudely at times in its negotiations with me, that if you control the money you control the policy. Governments of all political colours in Canberra have used their financial capacity to have a huge influence on policy in areas where they do control finance, whether it is health or higher education. Like the member opposite, I find that position vastly to be regretted and one which we should seriously think about in constitutional terms.

I am sure every member of the House would agree with that, particularly the people on the other side, because that was a comment made by their Premier. I happen to agree with it - there is some need for the States and the Commonwealth to deal with Commonwealth-State funding in a way quite different from the system which has emerged, particularly in recent times. We find that the amount of money being paid to the State from the Commonwealth is being reduced in real terms every year. It is somewhat gratifying to learn that the Federal Treasurer has said only this morning that the payment to the States will increase in real terms; but let us see whether it does. I would venture to suggest that payments to the States, while they might increase, will not be in general purpose grants but will in fact be payments made to the States on the basis of section 96 or tied grants. Of course, that really bears out the comments of the Premier when she was debating the issue of Commonwealth funding for tertiary education in Western Australia; that is, that the Commonwealth has the money - the Commonwealth holds the purse strings - and as a consequence it cannot resist the temptation to allocate that money to the States on the basis that it be conditional upon the States' implementing policies that have been determined in Canberra. That is something that this State and this Government should resist, irrespective of the fact that it is a Labor Government and we have a Labor Government in Canberra. It is time the Government of the State of Western Australia became a little more protective of the State and less protective of the Federal Labor Government.

We know to what extent the Government was prepared to go to ensure that the Federal Government was returned to power in March this year. It is about time the Government showed its allegiance not to the Federal Government but to the State of Western Australia, that it made sure the money paid to Western Australia is money that should be paid to it as a right and not money which comes to the State with conditions attached.

Mr Wilson: What if you had a choice? What if those conditions were attached on the basis that no money was available if you did not comply with the conditions? Would you refuse the money?

Mr COWAN: Of course not. The current Premiers' Conference will not deal with Commonwealth-State relationships. It will be a haggle over money. I have absolutely no doubt that much of the funding coming to Western Australia during the next financial year will be sourced from tied grants. The Government will have no prospect of doing anything other than accepting those tied grants and the conditions attached. The Government may be able to haggle with the Commonwealth Government and may be able to trim around the edges but it has no prospect of refusing the money because, like every other State, it is strapped for funds.

To deal with the second part of the motion, I have already said to the Premier and to the

Government that the Government should not adopt the practice - and it is a practice which has only recently emerged - of using a domestic inflation rate as a yardstick by which it can measure its performance. That is, if the Government keeps its taxes and charges below the current domestic inflation rate it has some reason to heap accolades upon itself - and that is nonsense.

Were any company involved in the export of products from this nation to use that system - that is, to keep its cost of production below the inflation rate - it would be drummed out of business within five years. I would be very surprised if it were able to last that time. For the Government which happens to be one of the biggest businesses in the State, if not the biggest, to apply that yardstick - and to say it has done a good job because it has been able to instruct all Government agencies and utilities providing the essential services to contain their charges below the inflation rate - is nonsense. That system should be rejected, and is rejected, by the people of Western Australia. The Government must look more closely at maintaining an efficient system; its charges should reflect the cost of delivery of services in the most efficient manner. That is the criteria which the Government should use in any assessment of charges, not the current domestic inflation rate. That gives me no satisfaction at all and any person who is paying additional money would feel that he cannot get satisfaction, but perhaps the situation could have been worse; we could have an even higher inflation rate.

The National Party supports the motion.

MR TAYLOR (Kalgoorlie - Deputy Premier) [2.34 pm]: The Government opposes the motion for very good reasons. Firstly, I shall deal with the taxes and charges increases announced last week and, secondly, the Premiers' Conference and the issues raised by the Leader of the National Party. The position the Government took some time ago in relation to taxes and charges was to keep taxes and charges that impact on families below the rate of inflation. When changes took place some years ago the Government made clear it would stand by the Family Pledge. We would ensure that the families of Western Australia would see any increase in taxes and charges which impact directly upon them kept below the inflation rate. That is exactly the pledge we have maintained. The increases were announced before the Premiers' Conference because the Government did not wish to be placed in a situation where the cynics would say that on return from the conference the Premier - as many Premiers have done - would say as a result of the conference an announcement would be made on a range of increases in taxes and charges. We made our position clear by announcing the increases before the conference no matter what the outcome of that conference. When attending a Premiers' Conference one has to be reasonably well assured - despite the comments of both speakers - that in one way or another a reasonably tough time will be had at the conference.

Mr Lewis: When will the other increases be announced?

Mr TAYLOR: They are mainly ones which relate to a whole range of departmental charges. Most of those decisions have been made and are being gazetted. Those increases have also been held down where they impact directly on families or in circumstances -

Mr Lewis: What about businesses?

Mr TAYLOR: - where a service is being provided to consumers. In that case we have done our best to ensure the charges relate to the cost of the service but not in a ridiculous sense such as the increases being out of keeping with any other increase.

Apart from the Family Pledge, the Government decided that keeping the increases which impact on the family below the inflation rate would also extend to industry; that is, the industries that relate to electricity or power prices in Western Australia.

This is the sixth successive year where water charges have been contained in Western Australia consistent with a trend set by the Labor Government since 1983 of gradually reducing the real cost in that area.

Mr MacKinnon: That is not true.

Mr TAYLOR: Importantly, these real reductions have been accompanied this year by a decision to provide to the holders of Seniors' Cards in Western Australia a 25 per cent discount for water charges. That is a significant and positive move and takes into account

our decision that as from 1 July the Water Authority will be completely self-funding. In relation to State Energy Commission of WA charges, considering the cost increases that the instrumentality has had to withstand over recent times to finance its capital works projects from its own resources, we have managed to hold down charges below the inflation rate. That is of significance to Western Australians. The Transperth fare increases of 7.4 per cent are well below the CPI increase.

Mr Lewis: And then you change the zones so it is an increase of 20 per cent.

Mr TAYLOR: It is an increase of 7.4 per cent. Students' concession fares have not been increased at all. That is significant. The same applies to an area that impacts on all Western Australians; that is drivers' licences. The Government decided to increase those charges not from 1 July but from 1 January next year; it is an increase of 7.1 per cent compared with the inflation rate of 7.9 per cent. That is also of significance to Western Australians.

The increases are very much in line with the Family Pledge made at the 1989 election. The pledge meant that increases in costs to families for gas, water and bus fares would be kept below the rate of inflation. We promised to do that and we have delivered exactly that. As was the case last year, the increased charges for 1990-91 have been calculated with reference to the most recent CPI figures. The Leader of the National Party referred to that. The increases in those charges are based on the average increase in the CPI for the 12 months to the March quarter of 1990 compared with the corresponding period a year earlier, less 0.2 percentage points to keep the increases below inflation. This formula resulted in an average increase in charges of 7.9 per cent in 1990-91 and 7.0 per cent in 1989-90. The Government applied the same formula in 1990-91 as in 1989-90 so that the increases in taxes and charges in Western Australia do not impact on the families of Western Australia - it has not changed this formula to suit its own purposes. We will make certain the families of Western Australia are not seriously or adversely affected by that increase.

I will now deal with the comments made by the member for Mandurah in relation to the increases in taxes and charges. The Premier indicated that the cost of the increases would be about \$2.50 per week; the member for Mandurah, in an extraordinary display of mathematics, calculated this increase to be \$7.20 per week.

Mr MacKinnon: I gave the detail earlier.

Mr TAYLOR: So, the Leader of the Opposition gave him the figure, did he?

Mr MacKinnon: No, I gave the details in my speech.

Mr TAYLOR: Now I will give the detail of how the Leader of the Opposition is wrong.

Mr MacKinnon: The figure is right.

Mr TAYLOR: I would not like the Leader of the Opposition to do my accounts. Mr Nicholls calculated this figure by applying a 7.9 per cent increase to estimated 1989-90 revenues for the SEC, the Water Authority and Transperth, and by then dividing the total revenue collected by the number of family units in this State. What he overlooked - perhaps he was guided too strongly by his leader in his logic - was the fact that most of the additional revenue will be collected from the commercial, industrial and Government sectors in Western Australia. Consequently, this cannot be related back to the families in their involvement with the SEC; it cannot be related back to pretend that the increase is \$7.20 and not \$2.50 because it takes no account of the revenue collected from other areas. The member for Mandurah knows that he made a grave mistake but he does not have the courage to correct that mistake.

Mr MacKinnon: It is exactly right!

Mr TAYLOR: At least the Leader of the Opposition agrees that a mistake was made.

Mr MacKinnon: We were exactly right with our figures.

Mr Fred Tubby: You are trying to tell us that the business costs will not be passed on.

Mr TAYLOR: I dealt with business costs a while ago when I said that we made a decision to extend our Family Pledge to include SECWA in relation to its increases, and that increase was at a rate of 7.9 per cent. That takes into account the fact that SECWA has been faced with the circumstance - of which I thoroughly approve - of having to find within its budget

the capital costs of some of the increases it must consider in providing power to Western Australia. At the same time, the Government has said to SECWA that a 7.9 per cent increase is appropriate. That pales into insignificance when one considers the sorts of increases in power charges - some of the increases were at a rate of 20 per cent - imposed on the community by the Government of which the Leader of the Opposition was a member.

The Leader of the Opposition suggested that the position regarding increases in taxes and charges would somehow or other - I find it hard to follow the logic - weaken our negotiating stand at the Premiers' Conference. We have given a firm indication to the people of Western Australia that we will not be using the Premiers' Conference as an excuse for increases in taxes and charges; we have made it clear to Western Australians before the Premiers' Conference that we will maintain the Family Pledge and restrict as much as possible the increases in power, water and public transport charges within the rate of inflation. The Commonwealth Government is well aware of the commitment made by this Government some time ago, and I would be surprised if the commitment were not endorsed by the Commonwealth. The Commonwealth would probably suggest that if other State Governments in Australia were able to maintain that kind of commitment in relation to taxes and charges, Australia would be much better off.

I refer to the suggestion in the motion that these taxes and charges increases will affect the CPI. The CPI is used as a yardstick for increases in taxes and charges and it is widely used throughout the community in legal documents and a range of areas in which an indicator of increase in the cost of living is required. In Western Australia over the past 18 months the State and local government taxes and charges have contributed less than 0.1 of a percentage point to the Perth CPI - that is according to my notes. That is a big plus as far as Western Australia is concerned in that taxes and charges have been held down in relation to the Perth CPI.

Mr Cowan: Was there an increase in taxes and charges last year?

Mr TAYLOR: Yes, the increases related to the Family Pledge and we managed to hold the taxes and charges increase to below the inflation rate.

Mr Cowan: What was the percentage rate of the increase?

Mr TAYLOR: If I remember correctly, it was seven per cent.

Mr Cowan: So, a seven per cent increase over that 18 month period represents 0.1 per cent in relation to the CPI?

Mr TAYLOR: Other factors which impact on the CPI also have to be taken into account; these include such things as the price of food, interest rates, the cost of housing or whatever.

Mr Cowan: That does not sound like an economist to me!

Mr TAYLOR: I told the Leader of the National Party about economists the other day.

The other factors to which I refer have a greater impact on the CPI than do State and local Government taxes and charges.

Mr Cowan: Was it an economist who prepared that figure for you?

Mr TAYLOR: I do not know whether it was an economist.

Mr Cowan: I seriously question whether the figure is accurate.

Mr TAYLOR: In recent times the impact of State and local Government taxes and charges on the Perth CPI has been much lower than would have been expected if we had not adopted the Family Pledge. The Family Pledge has been an important aspect of making certain that the Government has been able to keep down the impact of these taxes and charges on ordinary Western Australians, and we will continue to do that.

Mr Strickland: Whose figures are those that you cited?

Mr TAYLOR: I do not know where they came from; it came from my office but it did not have a name attached to it.

Mr Tubby: So, they are not your own thoughts; they could have put the decimal point in the wrong place!

Mr TAYLOR: I asked for a comment in relation to that issue and asked for the information because I wanted to raise the very issue -

Mr MacKinnon: Who did you ask?

Mr TAYLOR: I will not give the Leader of the Opposition the name of the public servant so that he can line up more public servants to be on the receiving end of his derogatory remarks.

Regarding the underlying factors determining the increases in taxes and charges, I suggest to the Leader of the Opposition, when moving a motion such as this, that he checks the facts to make certain -

Mr Fred Tubby: Give us the name.

Mr TAYLOR: If members opposite are not too lazy, they could go to the parliamentary library and obtain the information regarding the Perth CPI in relation to other Australian capital cities. They would discover that this State Government has performed well in relation to its small contribution to the increases in the CPI over recent times.

I refer now to the issue of the Premiers' Conference itself. As will be indicated to the Federal Treasurer and the Prime Minister, since 1982-83 Western Australia's population has been growing annually at about 75 per cent faster than the national average, while our economic growth has been 30 per cent above the national average. Despite the damage that would be done to the State by this Opposition with its attitude on matters such as Supply, this State continues to grow at an unprecedented rate in relation to the rest of Australia. The Premier will be saying to the Federal Treasurer at the Premiers' Conference that Western Australia expects some recognition of that growth rate. The Western Australian Government expects the Federal Government to acknowledge that increases in health have been in the vicinity of 10.6 per cent and in education have been in the vicinity of 12.1 per cent. This Government has done an excellent job in relation to those key areas of Government spending. This Government has been determined to ensure that proper attention has been paid to areas of Government expenditure such as health, education and law and order.

Mr Fred Tubby: The Deputy Premier would not be saying that if health and education were not doing so well.

Mr TAYLOR: This Government has faced quite significant cost pressures, in particular in wages which account for well over 60 per cent of the State's Budget and in areas where this Government expects that there should be growth, this time around, of nearly eight per cent in 1991. These are the sorts of things that are placing enormous pressures on the State Government, especially when one considers that something like 60 to 70 per cent of the State Government's total outlays are in wages and salaries and related oncosts. Compare that to the Commonwealth Government which spends something like 30 per cent of its total outlays in salaries and wages and related oncosts. That is a significant change from one Budget to another. One of the great impacts at a State Government level is in the area of wages and salaries and oncosts.

This Government will be saying to the Federal Government that it expects, as the Leader of the National Party has pointed out, a long term commitment. The Federal Government should give a commitment to the Government of Western Australia that it will extend the same consideration to the States when the Federal Government is putting together Budgets that last three or four or five years. The Western Australia Government expects to know, over the next three or four or five years, what sort of returns it can expect from the Federal Government for general revenue benefits and specific cost areas, particularly in general payments to the States. It is critical to know where this State is going and what it has to achieve.

Mr MacKinnon: I hope the Deputy Premier is saying that this State will be able to achieve a forward estimate.

Mr TAYLOR: I am just about to say that. The Government should be able to get that sort of commitment from the Federal Government, as I mentioned in the House the other day. As Minister for Finance and Economic Development I also believe that the Government should be following the same line as far as budgetary forecasts are concerned and it should be imposing the same sorts of restrictions. Over the next three to five years these are the sorts of budgetary forecasts that the Government will be looking at in terms of the revenue outlay. That will be possible only if the Government is able to obtain from the Federal Government that sort of prior and long term knowledge of payment over the years to come. If this Government is able to get that commitment from the Federal Government it will make it

possible, with very little in the way of excuses, for the State Government to go down the same road. That is an important part of drawing up a State Budget to impose the restrictions that some people know will have to happen in the years ahead. If we are able to do that it will be much easier to budget in the years ahead than is the case in Western Australia today. It depends on the Federal Government saying to the Western Australian Government that as the years roll by it will know what amounts it will be seeking.

Mr Fred Tubby: Does the Deputy Premier know who wrote that part of the speech?

Mr TAYLOR: I made the point of saying that last week if I remember rightly. It was made during the debate when the Leader of the Opposition was required to go to the Eastern States. He knew that I was to speak after him and it was during that debate that I may have made that statement. However, I certainly made that point last week in relation to what I think is a proper imposition on State Government budgeting. I do not suggest for one moment that I got the idea from the Opposition - God forbid that I picked up some idea from the member's side! In relation to forward planning, the Government will be asking the Commonwealth Government to agree with the State Government that, not only in Western Australia but in all the States, that is the most necessary option for us to adopt as far as the future is concerned.

There are other matters associated with the Premiers' Conference that I want to address but I know that another member on my side wants to make some remarks. I conclude by saying that this motion is really a load of codswallop. It does not pay attention to the Government's decision to stand by its Family Pledge. The Government has a Family Pledge and it has abided by that pledge in relation to the decisions made last week on taxes and charges. It is a Family Pledge that means to Western Australians not an increase of \$7.20, as was suggested by the member for Mandurah who could not get his sums right, but an increase of \$2.50 a week. It is a Family Pledge that also indicates to businesses, as the Premier said last week, that particularly in relation to power charges and water charges in Western Australia, the Government decided to extend that part of the Family Pledge that related to those particular charges. The resulting decision was an increase of 7.9 per cent, much in keeping with the other taxes and charges that were increased over that period. That is a responsible way of handling the finances of Western Australia. It is a most responsible approach to budget management in Western Australia and the sort of responsible approach I would expect to see the Federal Government take during deliberations at the Premiers' Conference this week. In relation to these sorts of issues we in Western Australia are making the correct approach, whereas the approach suggested by the Leader of the Opposition in the motion is the opposite. The Federal Government, rather than seeing it as a disadvantage to Western Australia, would in fact see it as an advantage to Western Australia. I certainly do not support the motion by the Opposition parties.

MR RIPPER (Belmont) [2.56 pm]: This is a peculiar motion and it is supported by some peculiar arguments. Point A of the motion states that the Premiers' Conference outcome may well show these decisions to be incorrect. The use of the word "incorrect" is quite significant. I note that the motion does not say that these decisions might reveal that price rises were too high. The motion actually uses the word "incorrect". Point B of the motion states that the Commonwealth decision to reduce the amount of untied grants to the States means that the flexibility of State decision making has been reduced. That part of the motion points to the difficulty that this State will be in in the very near future. The motion on one hand says that the decision may well be incorrect and on the other hand, as the Leader of the National Party has pointed out, admits that this State Government will face a very difficult Premiers' Conference. The only inference that can be drawn from the conjunction of those two points is that perhaps the Opposition believes that the increases were insufficient. Perhaps the Opposition believes that after the State Government returns from the Premiers' Conference there may be a need to increase taxes by a higher amount. If the Opposition believes that the taxes and charges should not be increased by the amounts that have been announced, perhaps it should have used different wording in the motion. The very fact of pointing to the difficult Premiers' Conference which the State Government faces and of using the word "incorrect" rather than "too high" leads one to think the Opposition is not sure whether the increases should be higher or lower.

In real terms these increases are in fact a reduction. In constant money terms taxes and charges have been reduced for the third year in a row. In 1988 taxes were not increased at all. There was no nominal change which represented a significant reduction. Taxes and

charges that impact principally on the family were again increased by less than the inflation rate in the following year.

This financial year is the third year that taxes and charges which impact on the family have increased by less than the inflation rate. For the third year in a row there has been a real reduction in the principal taxes and charges which impact on the family. In other words, in constant money terms families have experienced their third reduction in the principal rates and taxes imposed by the Government and which impact on their quality of life. That phenomenon honours a promise made by all Labor members of Parliament prior to the last State election. I am proud to be a member of a party which not only made that promise but also has honoured it in two successive years. It was an important promise made to the people who live in my electorate of Belmont and it has been honoured. As a candidate in the last State election I was proud to advertise that promise and I am even more proud that this State Government has honoured it. In real terms, the principal taxes and charges which impact on the family have been reduced. It is an important way in which this State Government can protect the quality of life of families.

The motion moved by the Leader of the Opposition is a peculiar one and it has been supported by even more peculiar arguments. For example, we have again heard the old Liberal Party revenue furphy wherein it has divided the increase in revenue by the number of people in this State and has used that figure to illustrate how it has impacted on each household. It is an outrageous use of statistics and it is an outrageous calculation because on the one hand it ignores the revenue effects of consumption by industry and the revenue effects of increased consumption resulting from economic growth and on the other hand it uses the growth in the number of households. It is a complete furphy and is not worthy of presentation to this House. It is an argument which is continually put forward by the Opposition when State taxes and charges are being debated in this House. It is an erroneous calculation and it does not reflect the real impact on families or households.

It is important to be able to count and we have found on other occasions that a significant number of Opposition members cannot count. Even more important is that the Opposition should work on the correct sum. In this case I thought the Opposition might have had its sums right.

Several members interjected.

Mr RIPPER: I said "might". The important thing to note is that the Opposition has been working on the wrong calculation. Whether the result of the calculation it has been carrying out is right or wrong, the calculation it used in this case is the wrong one. It is the same mistake the Opposition has made time and time again in its debates on increases in taxes and charges.

The Leader of the National Party spoke as though State taxes and charges determined the CPI.

Mr Speaker, has my time expired?

The SPEAKER: The clock is showing that it has, but I am sure the member had another two minutes.

Mr RIPPER: There was a time when State taxes and charges did make a significant contribution to the CPI and that occurred when Liberal Governments were in power. This Government is restraining taxes and charges and is not using the CPI as a benchmark, but as a cap. Even when the State Opposition was in Government it was not able to meet the CPI standard as a benchmark and it certainly was not able to use it as a cap. The increases it made were well over the inflation rate and they made a significant increase to the CPI and definitely impacted on a deterioration of family living standards.

Mr Speaker, in view of the confusion over the time remaining to me I conclude my remarks by saying that this Government has made a commitment to maintaining family living standards. That was not a commitment made by the previous Government nor one it came within cooee of matching.

MR MINSON (Greenough - Deputy Leader of the Opposition) [3.05 pm]: The last speaker used the word "peculiar" to describe the motion before the House. The word "astounded" comes to me when I think how the Premier has signalled to Canberra that this State can

survive because it has increased its charges by a given amount and, therefore, has an increased revenue base. By this action the Government has decreased its credibility when it goes to the Federal Government requesting increased funding.

The previous speaker has his calculations wrong because he used the wrong variables. Since the Labor Government came to power real wages have decreased by seven per cent. For example, last year employees were granted two lots of three per cent increases, a six per cent increase, and now we find the Premier has increased charges by about two per cent above that rate. This indicates to me that the Government has not done its calculations. Perhaps the Government should have pruned elsewhere, because this will have an effect on business in Western Australia.

I refer to the *Daily News*, which is a magnificent tabloid and is very reliable. On 19 June it stated that Western Australian businesses had been hit the hardest and that there had been a 75 per cent increase in business failures in Western Australia over the last year. I have no reason to doubt that figure. It puts Western Australia well in front of other Australian States and that should be a great worry to all of us.

I am also concerned about the deception that previous Government speakers have tried to inflict on members of this House, a deception that has carried on from the Premier's original media statement. I will mention some of the charges which have been increased and which make the Premier's claims false. The fuel franchise fee has increased by 30 per cent and that affects all families either directly or indirectly. The financial institutions duty has increased by 75 per cent and that affects all families; it even affects the kids' piggy banks. The electricity meter rent has increased by 12.3 per cent, which is twice the claimed inflation rate. The Deputy Premier spoke about increases in water charges having been kept down to the inflation rate or below it. The fixed charges have increased by 26 per cent and the bracket for increased fees has been altered.

Mr MacKinnon: Are they paid by families?

Mr MINSON: Yes, and by business. I am beginning to fear for the future of businesses in this State. Not only do I fear for businesses per se and the families which run them, but also I fear for the families of the people they employ. No doubt when the Premier returns from Canberra she will need to introduce another round of hidden increases which, when identified, she will claim will not affect the family.

Mr Ripper: Do you know what the rate of increases for family was under the last Liberal Government?

Mr MINSON: I have no idea.

Mr Ripper: It was 27 per cent per annum, more than twice the rate of inflation.

Mr MINSON: I would like to check those figures. It appears from the newspapers this morning that the Federal Government in Canberra is hinting that it will introduce a resources rent tax, and I am concerned about the effect that would have on business. That sort of tax, coupled with these other taxes, will cause big trouble for families. I urge the House to vote for the motion.

MR NICHOLLS (Mandurah) [3.10 pm]: I have listened in silence to some of the statements made that charges relating to commerce and industry will not flow on to families. How ridiculous. Who does the Government think it is talking to? Who does the Government think pays the bills? If this Government had a very good track record in financial matters and if it had not lost hundreds of millions of dollars, I would say that the economic situation demanded this action. Government members sit there after losing hundreds of millions of dollars and they are willing to impose increases that will affect the people they purport to represent in Parliament - the people who cannot afford to pay and the people with families who will carry the weight of increased costs because the Government has bungled the finances of this State.

We have been led to believe that charges will not be increased, but I understand that pharmaceutical charges for seniors at Sir Charles Gairdner Hospital have been increased from \$6 to \$8. That represents a 33 per cent increase. Perhaps this Government thinks that seniors do not matter. The Government cares only for those few who support the Labor Party. When I did these sums and considered the overall costs and the effect they would

have on families, I suggested that the Government should defer these rises in charges for essential services for six months. Unfortunately, the Government totally rejected that proposal. The shortfall could be covered by the \$30 million which will be spent on the brewery development, the \$19 million spent on a dubious program prior to the Federal election under the guise of helping the parents of schoolchildren, and the \$8 million allocated during the 1988-89 Budget for advertising. Because of the Federal Government's policies and the State Government's mismanagement in recent years families in Western Australia are suffering, and they cannot afford the additional burden this Government will impose on them. I am not whingeing because prices are rising, but I speak on behalf of families and urge the Government to consider alternatives that will give some relief.

Question put and a division taken with the following result -

Ayes (23)			
Mr Ainsworth	Mr Grayden	Mr Mensaros	Mr Trenorden
Mr Bradshaw	Mr House	Mr Minson	Mr Fred Tubby
Mr Clarko	Mr Kierath	Mr Nicholls	Dr Turnbull
Mr Court	Mr Lewis	Mr Shave	Mr Wiese
Mr Cowan	Mr MacKinnon	Mr Strickland	Mr Blaikie (<i>Teller</i>)
Mrs Edwardes	Mr McNee	Mr Thompson	

Noes (27)			
Dr Alexander	Dr Edwards	Mr Marlborough	Mr Taylor
Mrs Beggs	Dr Gallop	Mr McGinty	Mr Thomas
Mrs Buchanan	Mr Grill	Mr Pearce	Mr Troy
Mr Carr	Mrs Henderson	Mr Read	Dr Watson
Mr Catania	Mr Gordon Hill	Mr Ripper	Mr Wilson
Mr Cunningham	Mr Kobelke	Mr D.L. Smith	Mrs Watkins (<i>Teller</i>)
Mr Donovan	Mr Leahy	Mr P.J. Smith	

Pairs	
Mr Watt	Dr Lawrence
Mr Omodei	Mr Bridge
Mr Hassell	Mr Graham

Question thus negatived.

OFFENDERS PROBATION AND PAROLE AMENDMENT BILL

Receipt and First Reading

Bill received from the Council; and, on motion by Mr D.L. Smith (Minister for Justice), read a first time.

Second Reading

Leave granted to proceed forthwith to the second reading.

MR D.L. SMITH (Mitchell - Minister for Justice) [3.17 pm]: I move -

That the Bill be now read a second time.

[Leave granted for the following text to be incorporated.]

Part IIA of the Offenders Probation and Parole Act was introduced in 1976 to empower the courts to impose a penalty of a community service order. This Bill amends the Offenders Probation and Parole Act by authorising the Executive Director of the Department of Corrective Services to approve work for the purpose of community service orders. Currently, section 20R of the Offenders Probation and Parole Act requires this function to be performed by an advisory committee.

In line with the Government's objective to reduce the rate of imprisonment, the Community Corrections Centres Act 1988 came into effect on 1 March 1989 and provides for the conversion of fine defaults to work and development orders. Under that legislation, the

Chief Executive Officer of the Department of Corrective Services may approve work and correctional programs for offenders subject to work and development orders. Prior to approving a work program under this legislation, a local community corrections manager will consult the agency concerned to provide a report assessing the exact nature of work to be performed, the supervisory arrangements and the work environment. The work programs approved under this legislation are similar to programs approved in relation to community service orders. It would facilitate consistency and improved efficiency, as well as provide local input into the approval process, to approve work programs for community service orders in a similar way. Because current work projects have already been approved by an advisory committee, the Bill contains a savings and transitional provision providing for all such projects to continue in force.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Clarko.

RACING PENALTIES (APPEALS) BILL

Second Reading

MRS BEGGS (Whitford -- Minister for Racing and Gaming) [3.20 pm]: I move -

That the Bill be now read a second time.

This Bill establishes a racing penalties appeal tribunal to service the horse racing, trotting and greyhound racing codes in the State. In 1987, the Government established an inquiry into the horse racing industry in Western Australia chaired by Mr C.W. Quin. The Quin report was released in 1988, and many of its recommendations were implemented by the Acts Amendment (Racing Industry) Act 1988. One of the recommendations of the Quin report was that there be established a racing appeals tribunal to hear appeals against penalties, decisions or orders of any stewards in horse racing. This Bill adopts that recommendation and extends it to the trotting and greyhound racing codes as well. Horse racing, trotting and greyhound racing are carried out under rules made or adopted by the relevant controlling authority for each code. In each case, the stewards, who are employed by the respective controlling authority, are responsible for enforcing those rules. The rules usually make provision for appeals against a decision of the stewards to go to a committee of the controlling authority or some other body set up by the committee. The present system is subject to the perception that, because the controlling authority in each code employs the stewards and either hears appeals from the stewards or controls a separate process for appeals, enforcement of the rules is not entirely impartial and objective.

Mr Blaikie: I know this is a racing and gaming Bill, but could the Minister please slow down and speak more loudly.

The SPEAKER: Order! The background conversation is precluding some members from actually hearing the speech, which in my view is being delivered at about the right level.

Mrs BEGGS: The racing codes are multi-million dollar industries and the public is entitled to be assured that the rules are properly enforced and applied. During the preparation of this Bill there has been extensive consultation with the three racing codes to ensure the impartiality of the appeal tribunal and to reach agreement on its jurisdiction and procedure.

This Bill will establish an independent racing penalties appeal tribunal to cover appeals in all three codes. The tribunal established by the Bill is based on similar bodies which operate successfully interstate. Funding of the tribunal's operation will be by way of deductions from the moneys made available to the three racing codes from the TAB surplus. These deductions will be in proportion to the number of appeals heard for each code. It is proposed that the tribunal operate on a part time basis only. To ensure expenditure is kept within reasonable limits, the tribunal's annual budget will be subject to the Minister's approval. When the tribunal is in place, the rules of racing for each of the three codes would continue to apply, and would still be enforced by the stewards for each code. However, where the stewards impose a penalty comprising a suspension or disqualification, or a fine of any amount, the person affected may appeal to the tribunal. A person will also be able to appeal to the tribunal against a decision of a committee to issue a warning-off notice.

The tribunal is to be headed by a chairperson who is a legal practitioner of not less than

seven years' standing. For any particular appeal the tribunal is to be constituted by the chairperson and two members. These members will be drawn from a panel of persons who are eligible for or have held an appointment as a magistrate. There is provision for appointment of an acting chairperson of the tribunal to allow for more than one appeal to be heard at once. The tribunal is to act informally and without undue technicality, and while it must comply with the rules of natural justice, it does not have to comply with the laws of evidence and procedure. Expert witnesses may be called to give assistance - for example, in the areas of chemistry or engineering.

The tribunal will not be able to award costs against a party unless an appeal has been made vexatiously or frivolously. However, to ensure that only genuine appeals are made, the tribunal may require an appellant to lodge a sum as security. To prevent an appeal being used as a means of delaying the operation of a steward's penalty, the Bill also provides that an appeal shall not constitute a stay of that penalty unless the tribunal specifically so orders. There is no appeal from a decision of the racing penalties appeal tribunal, although decisions of the tribunal could be reviewed by the Supreme Court by way of prerogative writ in the normal way. It is envisaged that the tribunal will create and maintain an atmosphere of confidence in the impartiality and fairness of enforcement of racing rules, and will receive the support of the three codes.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Clarko.

BILLS (2) - THIRD READING

1. Supply Bill
2. Treasurer's Advance Authorisation Bill

Bills read a third time, on motions by Mr Taylor (Minister for Finance and Economic Development), and transmitted to the Council.

WADC LIQUIDATION BILL

Committee

Resumed from 21 June. The Chairman of Committees (Dr Alexander) in the Chair; Mr Taylor (Minister for Finance and Economic Development) in charge of the Bill.

Progress was reported after clause 9 had been agreed to.

Clause 10: Powers -

Mr COURT: This is one of the most important clauses in this Bill because it provides for the power of the body corporate to be involved in this liquidation. During the second reading debate the Opposition made the point that it was concerned about the way in which the Government was proceeding with this liquidation as it is not complying with procedures set down under the Companies (Western Australia) Code. I ask the Minister to explain why, when the Government prepared the powers clause, it did not include items such as those required under the Companies (Western Australia) Code, section 375, the report as to the affairs to be lodged by the directors; section 376, the preliminary report by the liquidator; section 418, the report by the liquidator; and section 422, requiring the liquidator's accounts to be lodged six monthly.

The Minister told us when we last discussed this Bill that he would be prepared to provide a six monthly account of the liquidator's procedures as provided for under section 422 of the Companies Code. Section 453 relates to the recovery of moneys in certain circumstances, and section 554 relates to offences by officers; that is, if there were any irregularities found by the liquidators they would in normal circumstances take action. I mention section 544 of the Companies Code in particular. I will read some of that section to the Chamber because it seems rather strange that the Government wishes to wind up this operation. It states, under the side heading, "Offences by officers of certain companies" -

- (1) A person who, being a past or present officer of a company to which this section applies -

- (a) does not, so far as he is capable of doing so, disclose to the appropriate officer all the property of the company, and how and to whom and for what consideration and when any part of the property of the company was disposed of within 5 years next before the relevant day, except such part as has been disposed of in the ordinary course of the business of the company;
- (b) Does not deliver up to, or in accordance with the directions of, the appropriate officer -
 - (i) all the property of the company in his custody or under his control; or
 - (ii) all books in his custody or under his control belonging to the company;

The section lists all the things that a person has to do to meet the demands of the liquidator. If he does not, the penalty is \$10 000 or imprisonment for two years. I would have thought that this was one of the most important parts of the Companies Code which the Government would have wanted to include in its legislation, because the whole WA Inc debate has been about accountability. It has all been about the fact that the Western Australian Development Corporation has been operating for a long time, and we have had difficulty finding out any problems inside that corporation.

It is strange that the Government says publicly that it wants to open things up and have any problems disclosed. It is strange, in those circumstances, that those powers are not there for the body corporate doing the liquidation to investigate irregularities committed by officers. That is one of those areas I would like the Minister to expand on. I do not want to read the whole of section 554, but it is quite specific about what officers have to do.

Many people have come and gone in WADC, and that section makes it important for current and former employees to provide all the evidence required so that a true picture of that corporation can be presented. I would appreciate it if the Minister could explain why the Government has not agreed to the procedures set down in the Companies Code. Under the Government's legislation the liquidator has the ability to carry on and complete anything commenced by WADC. The liquidator has the power, under subsection (1), as if it were a function of the liquidator, to obtain and manage property vested in it. While it retains the assets relating to LandCorp, the liquidator may exercise the powers set out in sections 10(f) and (g) of the repealed Act in respect of the operations of LandCorp.

I shall discuss LandCorp in the next clause which covers LandCorp and EventsCorp, but as members can see, the liquidator has quite wide powers, which is normal for a liquidator, because a liquidator must carry on the business in order to maximise the gains and minimise the losses for the company. Our main concern is that the Government has not included in the rules laid down for the liquidator those procedures which are set out in the Companies Code. If time honoured procedures have been established by professionals and experts after years of experience in this field, it is strange that the Government should try to rewrite the book with its own specific piece of legislation to handle one single liquidation.

Mr COWAN: At the risk of repeating myself and being chastised by you, Mr Chairman, if the Deputy Premier were prepared to take some action he could alleviate most of the concerns of members on this side of the House. We do not believe that the provisions in this legislation and this safeguard which the Deputy Premier alleges is applied through the Financial Administration and Audit Act is the way to wind up a company. Notwithstanding his assurance, we do not believe the Deputy Premier. Had the Deputy Premier included in the powers given to the liquidator some indication that the ordinary provisions of the Companies (Western Australia) Code should be applied to the liquidation of the WADC, he would resolve the matter because that would collect the way in which the liquidator works under the umbrella of the Companies (Western Australia) Code. That is the important feature of this legislation.

While the Deputy Premier is looking at the powers of the liquidator, it would not be a bad idea were he to insert a new clause after subclause 10(3) which would indicate that the ordinary provisions of the Companies (Western Australia) Code should be applied to the liquidation of the WADC. It would be a very simple amendment, and it would allay the majority of the fears held by members on this side of the House.

While it is true that the liquidator has to report to the Parliament, I do not think I can stress too strongly the fact that the winding up of the affairs of any company, whether it be operating profitably or whether it be on the verge of bankruptcy, is still a skilled operation. The Deputy Premier has given us the assurance that Treasury officials have the capacity to do that. I do not question the integrity of Treasury officials, but I suggest that they do not have the experience or the skill which would normally be required to perform these specific tasks and liquidate or wind up the affairs of a company or corporation.

The Companies (Western Australia) Code has specific provisions, and the member for Nedlands quoted some of them. The code has been established to deal with the liquidation or the winding up of a business or a corporate body. By repealing the Act, the Deputy Premier is here taking away from the liquidator any requirement or responsibility to subject his actions to the provisions of the Companies (Western Australia) Code. We on this side feel it is important to use that power. I have nothing to say about the powers conferred on the liquidator in this section, but the provision would be enhanced by this suggested amendment.

Mr TAYLOR: Some of these matters have been canvassed before, by way of interjection during the course of the second reading speech, in my reply to the second reading debate, and during the course of the Committee stage. The reason for the legislation coming before the Parliament is to give the people of Western Australia an opportunity to see exactly where we stand in relation to the completion of the affairs of the WADC. That decision was made on advice I took which suggested that this was the best way to go to make it the most open way possible. The Burt commission makes it quite clear that the Financial Administration and Audit Act is a far more accountable piece of legislation than the Companies Code. If we are talking about a liquidation in this situation, we have an excess of assets over liabilities of some \$20 million. If one wanted to go down the path of a voluntary liquidation, it could not be a liquidation through a court-appointed liquidator.

Mr Cowan: But do you acknowledge that the amendments brought in last year under the Acts Amendment (Accountability) Act do in fact subject the WADC to the Financial Administration and Audit Act?

Mr TAYLOR: Yes, that is right.

Mr Cowan: It is already subject to the Act in the existing provisions, but it is also subject to the Companies Code. In this case you are establishing a body corporate - the WADC Liquidator - which is still responsible under the FAA Act, but no longer responsible under the Companies Code.

Mr TAYLOR: No, that is not right, and that is what I will go on to tell the Chamber. If members look at my second reading speech, what I said was this -

It will be necessary for members of the liquidator and other persons delegated by the liquidator to act as directors of companies in which WADC now has shares. There is the possibility that a conflict could arise between their duties as directors of these companies and their duties under the WADC Liquidation Act. The Bill provides -

That is, in clause 20. My second reading speech continued -

- that in such an event their duties as a director of the company are to prevail. This step has been taken to reassure those dealing with the companies that the relevant Companies Code requirements are not overridden by this legislation. It also clarifies to the members of the liquidator, and those delegated by the liquidator as directors, that their actions as directors of these companies are not to breach Companies Code requirements.

Mr Court: That is only where they have an investment in a company.

Mr TAYLOR: That is right, and I am indicating to the Chamber that, in relation to their role as members of the liquidator, they have that obligation. However, in relation to this total issue, this Bill is before the Chamber, and both Opposition parties have indicated they will not support it in the upper House.

Mr Court: How do you know that, in the upper House?

Mr TAYLOR: Well, the Opposition has said it will not support it. I am sorry about that; we will see what happens in the upper House.

Mr Cowan: We could do one of two things. We would seek to insert an amendment which puts beyond doubt the fact that the liquidator is subject to the Companies Code, because I agree with the member for Nedlands that clause 19 of the Bill is very sectional in its application.

Mr TAYLOR: I recognise that, but at the same time, if the Opposition intends to move an amendment in the upper House I will not accept it under those circumstances, and this is the situation we will be left with: I have made a decision that Western Australian Development Corporation will be finished as at 30 June as it stands at the moment. As a result of that, there will be a move - and in fact I have already taken action - to ensure that from 1 July a new board made up of public servants will be appointed. It will have the job of bringing WADC to an end and dealing with the issues raised in this legislation in relation to Underwater World - both in Hillarys and Sentosa - and also, and in particular, Port Kennedy. That is their job. At the same time, LandCorp will go to the Department of Land Administration and EventsCorp will go to the Tourism Commission. We have made those decisions and that will take place.

The point I have been trying to make - and I find it difficult to understand why members opposite will not accept it - is that in bringing this legislation before the Chamber what I have sought to achieve is to give members opposite and, through them, the public of Western Australia the opportunity to see that it is being done in a completely open way; it is being done in a way which makes it completely accountable to the Parliament.

Mr MacKinnon interjected.

Mr TAYLOR: I would not expect the Leader of the Opposition to understand that. He would be the last one in this place whom I would expect to accept that, so do not let us pretend otherwise in relation to these sorts of issues.

Mr MacKinnon: You haven't got the gumption to be open with the public, my friend.

Mr TAYLOR: The Leader of the Opposition was not even prepared to stand up during the third reading debate on the Supply Bill and say what his members in another place intended to do; because he did not know.

I have told the Chamber the nature of the Bill before us, despite what the Leader of the Opposition would have people believe, in his snide way. I am quite determined that that will be the case, and that this is an opportunity for the Parliament, and therefore the system as endorsed by the Burt Commission on Accountability, to examine these sorts of proposals. That is the opportunity the Opposition parties have.

Mr Cowan: Answer me one question: Would there be a conflict in this legislation if such an amendment were inserted? Would a requirement that the ordinary provisions of the Western Australian Companies Code shall apply to the liquidation of WADC create conflict?

Mr TAYLOR: We are not liquidating it in that sense. What we are doing is making sure it is managed properly and in a way that is accountable. We do not want to take that particular approach.

Mr Cowan: I can see what you are getting at, but if it is a highly profitable company, even in winding it up, why aren't you allowing that winding up process to be conducted under rules that must be practised by every other company, even if it were highly profitable?

Mr TAYLOR: I have tried to explain that.

Mr Cowan: I know you have tried to explain it, and you have explained it, but I have gone a step further and asked: Is there any conflict between that amendment and the way in which this is -

Mr TAYLOR: Yes, because the reason I am saying that is the case is that the Burt commission recommendations say, "Do these things under the FAA Act in a way that is accountable to the parliamentary system, in a way that recognises the legislative processes and ensures that that Act is a far more powerful and open approach to these issues than is afforded under the Companies Code." I cannot quite see how the Leader of the National Party's suggested amendment would fit in, but if he wants to get something drafted and have me look at it I would be quite prepared to do so, so long as the Leader of the National Party is prepared to accept that this approach I have adopted in relation to the liquidation - if that is

the word we want to use - of WADC is the most open and accountable way of dealing with the issue.

Mr COURT: It is not - that is where you have it all wrong.

Mr TAYLOR: It is. We could stand here all day saying, "It is", "It is not." My view is that it is and the view of the member for Nedlands is that it is not. It is quite possible that this Bill will go to another place and be lost, but we will still get on with the job that must be done. I have made the decision that, as from 1 July, we will get on with the job. In fact, we have started already and we will still go down that path. On the other hand, we have an opportunity for this winding up, or the ending of the affairs, or the liquidation of WADC to be absolutely open and accountable. That is the opportunity that both Opposition parties have, and it is critical so far as this legislation is concerned.

Mr COURT: The Minister for Finance and Economic Development has said he has made the decision and has started already to liquidate WADC. I hope he has, because the Government promised us in April last year that it would liquidate WADC; so it is no big deal for the Minister to say that he has already started to do it, and that no matter what happens to this legislation the Government will move down that track. The Government has given that commitment publicly on many occasions.

The Leader of the National Party and I are making a very simple statement; that is, the Government already has legislation to enable the Minister to direct the liquidation of WADC - not its new body corporate but the existing WADC. We do not have to go through this rigmarole because we have already passed legislation which gives the Government those powers.

The CHAIRMAN: Order! I believe we have heard this argument repeatedly. If the member for Nedlands intends to continue speaking on this clause he should be more specific, please, and move on to new material, because I do not believe we are observing the Standing Orders if we go over the same ground repeatedly.

Mr COURT: With all due respect, Mr Chairman, this is the most important part of the legislation.

The CHAIRMAN: That may be the case, but the member must convince us that he is addressing a new point rather than repeating an old one.

Mr COURT: The point I am making reinforces the point made by the Leader of the National Party; that is, in this place we already have the powers to do it and the rules under which it can be done. To be fair, I would not want anyone from the Government to say that the Opposition wants to hold up the liquidation of WADC; we have been calling for its liquidation for some time and we made sure that the Government had the power to do so, yet it has not used that power. This legislation is a red herring because instead of carrying out the liquidation under the rules of the Companies Code with an independent liquidator, the Government will continue running the wind-up of WADC's affairs as the Minister just indicated. The same people who caused the major problems in the first place, as they took the corporation into tourist developments in Singapore and became involved in other areas, are now to be charged with responsibility for winding up its affairs. I ask the Minister whether it is possible for the liquidator to investigate the former employees - does he have such powers under the body corporate? Is it the intention of the Government to have the former employees questioned, because I know of a number of disgruntled former employees who would love to tell some stories about what happened inside WADC; however, that will not occur. Why would the Government want to drag any skeletons out of the closet? Is it the intention of the liquidator to question these people to provide some of the information for which the Opposition has been asking for some time?

Mr TAYLOR: There is no need to call in people. If the member for Nedlands has any comments to make regarding the actions of people involved with WADC in years gone by, he has the opportunity to raise them in the Parliament and with a series of people; he could speak to the Corporate Affairs Department, the Ombudsman or the Auditor General. I do not know to which matters he is referring; perhaps the police or the Official Corruption Commission would be more appropriate. The procedure within this Bill is a clean and effective way of winding up the operations of WADC. If the liquidator, as it is called under the legislation, comes across any problems which should be drawn to the attention of the authorities, I have no doubt that that would be done.

Mr COURT: The Minister for Finance and Economic Development has confirmed my worst fear; that is, that the Government has no intention of carrying out a proper liquidation of WADC. One of the most important powers of a liquidator is that of questioning former employees so that answers are obtained to certain questions.

Mr Taylor: What sort of questions?

Mr COURT: The Minister for Finance and Economic Development says that WADC is clean. How would he know? I have referred in this place to the way the Government entered into the Underwater World International projects, and many questions need to be answered. I will not be satisfied with the liquidation of WADC until people are brought before the liquidator and questions are answered about how the Government entered into such a crazy deal. The Minister for Finance and Economic Development has claimed that nothing is wrong with the negotiations the Government is undertaking with one of its partners in the project - I have outlined in detail how I believe the deal to be improper. We have debated the Port Kennedy deal in Parliament, and many pages of questions were asked. Does the Minister believe that the liquidator would be doing his job if he did not determine the detail of those deals by talking to a wide range of people? It is not up to me to indicate what was wrong with the operation of WADC, although I have given some examples in the past; it is up to an independent liquidator to satisfy himself and all taxpayers of this State in relation to those issues.

I am concerned about the attitude of the Government. The Minister for Finance and Economic Development has confirmed my worst fears about the liquidator in that we will not have a liquidation as we know it in the normal circumstances as is taking place with Petrochemical Industries Ltd, with Rothwells and with Spedleys. The liquidator has the responsibility and the duty to look into all the details surrounding the running of those operations. However, the Minister is saying, "All is fine." If everything was fine, why did we have the WA Inc scandal? Why did we have all the heartache associated with Government investment adventures? If everything had been fine we would not have the problems which we are facing at the moment, and the Government would not be winding up WADC after nearly seven years of operation. I would have thought that the Government would want a clean break and that the liquidator would want to speak to all the parties involved, including the former employees who may wish to get a few things off their chests, regarding some of the deals that were done.

WADC was been involved in many investments. For example, it was planning to establish an insurance exchange. No doubt it wrote off a great deal of money in that exercise. I would have thought that an independent liquidator could tell us what happened and whether everything went according to plan. However, the Government will have only a cosy, in-house arrangement. I have asked the Government whether it intends to give the liquidator the power to interview former employees; apparently it will not. I suggest that the Minister read the Companies Code to find out the procedures followed by other corporations in this State. I hope that we have been able to explain to the Minister why we believe that after all the debacles associated with WA Inc, and all the debate on WADC in particular, we need to have a professional liquidation to ensure that all questions are answered. The Minister should not simply state that everything is fine within WADC and that we should not worry. That is not for him, or for me, to say. That is for a person skilled in that area to decide. I certainly hope that we shall be able to either amend this legislation or talk the Government into accepting all the provisions laid down in the Companies (Western Australia) Code.

Clause put and passed.

Clause 11: LandCorp and EventsCorp -

Mr COURT: I seek some clarification on this clause. The Deputy Premier said that EventsCorp would be transferred to the Tourism Commission, and that LandCorp would be transferred to the Department of Land Administration. Will all the assets of LandCorp be transferred to that department?

Mr Taylor: The Premier announced a week or two ago that an Office of Land Services would be set up in the Department of Land Administration and it would incorporate LandCorp, the Industrial Lands Development Authority, and another group whose name escapes me. I have been of the view for a long time that for many years all sorts of

Governments have taken the easy way in relation to these issues; that is, rather than asking a central agency to do jobs it has not been capable of doing, they have set up small organisations to do the jobs properly. The hard decision is to tell the central agencies to do these jobs and to do them properly. In my view LandCorp will be back where it belongs.

Mr COURT: Is it possible for the Opposition to be provided with a reasonably current balance sheet for both EventsCorp and LandCorp so that we know what their assets and liabilities are?

Mr Taylor: I will see what I can find at 30 June.

Mr COURT: It is not necessary for the balance sheet to be as at 30 June the end of April would be satisfactory. We want a rough idea of the assets of those groups. LandCorp has become a big operation in its own right. I guess this organisation represents the different philosophies of the two parties. The Government in many ways wanted to become a developer, but the Opposition considers that Governments should not adopt that role.

I have mixed feelings about EventsCorp. I have been involved in organising a number of major sporting events and I have never asked the Government for help. In fact, I have always worked on the assumption that Government help would be the kiss of death. Perhaps the Government has a limited role in encouraging certain events, and after John Bannon's huge success with the Grand Prix in South Australia, many Governments wanted to get on the bandwagon. Unfortunately, their track record has been one of losing large sums of money and it is often hard to judge how successful events have been because there are ways and means of covering up the truth.

I am told that the organisers of the recent Northern Territory development conference were able to cover all their expenses without Government assistance. That is good news. The organisers got private sector sponsorship, and those who attended the conference met all the expenses. It was a first-class conference from which many people, including the Deputy Premier I am sure, learned a great deal. Also the taxpayers were not required to foot the bill. Many of the people involved in EventsCorp are experts at hyping up events and persuading the Government to support them. However, often these events are not as successful as the Government is led to believe they will be, and the sponsorship of them should be left to people such as Michael Edgley and others who are prepared to take the huge risks involved.

Mr Taylor: Events in Western Australia such as the Hopman Cup have been an enormous success, certainly in terms of the publicity for this State. The same applies to the Rally Australia event. This State is now part of the world rally championships. That type of event generates success, although it is often difficult to measure that success. The television coverage associated with the Hopman Cup provided a great deal of publicity for Western Australia, as did the enormous Press for the Rally Australia.

Mr Gordon Hill: The swimming championships to be held in Perth will also attract a lot of publicity. It is estimated that it will bring \$19 million to this State.

Mr COURT: How much has been spent on attracting that \$19 million?

Mr Gordon Hill: Much less. The expenditure will be less than \$10 million.

Mr Taylor: And we shall also have a facility at the end.

Mr COURT: I am no expert in these matters but I would like to comment on the World Swimming Championships. Three new pools will be built at the Superdrome for this event. When the Olympic Games were held in Los Angeles the main pool was built by McDonalds in the grounds of a university. Temporary seating was installed and when the event was finished the university had the use of that pool. However, in Perth four pools will be located in one centre and, although it may be very convenient for some people - such as me and my children because we live close to the pool - surely it would have been better to build an additional pool in the nearby John XXIII school, for example, for its use after the event.

Mr Gordon Hill: I shall be happy to give you a briefing on the organisation for the World Swimming Championships but I indicate that it would not be possible to relocate the pools in another area.

Mr COURT: I query why in this case four pools will be in the one location.

Mr Gordon Hill: An amount of \$3.5 million was provided by the Federal Government.

Mr COURT: The money from the Federal Government is still taxpayers' money. It is true that Governments have some limited role in promoting events, and I give full marks to Bannon for the way in which the Grand Prix was run - it was certainly a coup for him. However, Governments must watch out for the sharks because any Tom, Dick or Harry could seek Government help for an event he wants to organise. If an event cannot stand by itself, it should be treated with suspicion. For example, the Wimbledon tennis tournament has become one of the most successful money raisers in the world. Years ago the organisers of Wimbledon paid for the lemon barley water it provided for participants. Companies now pay hundreds of thousands of dollars to have their lemon barley water sold at Wimbledon. That is a good example of the involvement of the private sector in building up that event. I hope the Government does not get too carried away with EventsCorp in picking losers. I agree that the Government does have a role in encouraging events of this type to the State.

Mr Taylor: There should also be a considerable amount of private sector involvement in it too.

Mr LEWIS: I want to make a few points on the way LandCorp is to be handled. I am disappointed at the ad hoc way in which the Government has dealt with LandCorp, certainly over the last 12 to 18 months. As I mentioned the other afternoon in the second reading debate, LandCorp has had a very chequered background. It was originally known as the Urban Land Council, then Landbank and now it is known as LandCorp and comes under the portfolio of the Minister for Planning. For some time before that it did not really know who the responsible Minister was. It is still the responsibility of the Premier.

The WADC Liquidation Bill provides for the Treasury liquidators, who have the ability to invest the assets of LandCorp, to transfer or do what they desire with the assets. I accept that that is the role of liquidators. LandCorp was the responsibility of the Western Australian Development Corporation, as it was, and there needs to be flexibility as to what should happen to that agency. It is not good enough for the employees of LandCorp and the private sector developers of urban land who operate in the market not to know what the Government's firm intentions are in regard to LandCorp. The Deputy Premier made the point that for many years he has been concerned about the various agencies that were commissioned to do a specific task, whether it be in industry or in dealing with land at the lower end of the market; I agree with him on that point. For far too long too many Government agencies have been associated with the development of land. The time has long since passed when a very competent professional agency of Government did what it had to do; that is, provide industrial and residential land at the lower end of the market for those people who need assistance to secure vacant allotments.

In the last three or four years I have been particularly concerned with the agencies of the Government and their dealings with certain urban land. These dealings have burgeoned and the Government now controls 55 per cent of all housing land brought onto the market in Western Australia. That should not be the function of the Government. The Government should not be competing with the free market in the provision of urban land and housing allotments. The Government should note that currently LandCorp and Homeswest are controlling 55 per cent of the land market in Western Australia. Private developers are finding it very difficult to compete in these times of high interest rates and holding costs. They often ask themselves, "What is the good of competing with the Government?" because they cannot compete. They will eventually withdraw their activities and concentrate on the more profitable end of the market which will leave the Government as the sole agency, playing at the bottom end of the market, to sell and develop up to 60 per cent of all urban land brought onto the market. Over time there will be an upsurge in building activity. All of a sudden Government agencies will not be able to cope. No private agencies will be operating in the market because they will have been driven out of it by the Government operations which have increased over the last three or four years.

The Government should look closely at the situation and at the market share that Homeswest and LandCorp hold in urban development. The Government should rationalise this situation because sooner or later it will be caught short and it will find it is unable to draw on its resources to provide sufficient land for the latent need that is building up at the present time. The Government should rationalise the land development process and try to encourage private sector developers back into the market so that when the time comes the market will be able to respond and will not be solely reliant on the Government.

Mr Taylor: How would the member suggest that the Government do that?

Mr LEWIS: The Government should get out of it. It is too involved in land development and controls up to 55 per cent of the development of urban allotments in the market.

Mr Taylor: That has been the situation in Western Australia for many years. The member would remember the R & I Bank auctions that were carried out at Hamersley.

Mr LEWIS: It did not involve as much as 55 per cent. There was an outcry from the private sector in the early 1980s when the Urban Land Council was operating. The ULC and other Government agencies at that time controlled more than 20 per cent of the market; Government agencies now control 55 per cent of the market. The Government will be facing a disaster in the longer term because when the upturn comes the Government will not have the resources to supply the land. The private sector will have withdrawn from the market and it will not be able to supply land and the price of housing allotments will rise. If the Government does not want to take any advice that is fair enough, but I will tell the Government so when that happens.

The statement made by the Premier the other evening at the real estate industry's annual dinner was not good enough when she said a mega-department would be formed to incorporate ILDA and other agencies. I do not think she mentioned LandCorp but she spoke of another agency which was to be part of it. The Government should look at its responsibilities, make some decisions now and make a formal statement to this Parliament on exactly what it will be doing with its land developing agencies. My personal opinion is that Homeswest should be in land development only to supply land for those people who need assistance and find it difficult to get a lot of their own. It should not be competing in the private sector or with the private sector. That is not its function. I note that a hundred million dollars was included in Homeswest's capital works budget this year for land development and it is to generate money for the Treasury. The Government has lost fortunes and the Treasury needs more revenue to help balance the Budget. That is not the function of the Government, that is not the function of Homeswest. As I tried to say the other week in Parliament, Homeswest functions primarily are to supply land for those people in need at the lower end of the market.

The Deputy Premier should make a statement in this House, not by way of interjection but while we are debating clause 11, as to the Government's intentions so the public and the employees of LandCorp know what is going on. The Government should not leave this issue on the back burner for six or nine months until the Treasury officials, who do not have a lot of experience, get around to doing something about it. Land development is in a critical position, and we must do something about it quickly. The Government is beholden to make a statement about what it will do with LandCorp rather than leave its future up in the air as in this Bill. No-one knows where the Government is going.

Clause put and passed.

Clause 12: Minister may give directions -

Mr COURT: It is normal in legislation like this for provision to be made that the Minister should accept responsibility and give directions. I do not know whether that is in the legislation, but directions in writing are important because they become public. The only problem is that the information becomes known to us. We had amendments to the Financial Administration and Audit Act last year when we debated amendments in writing. The Minister says this legislation will comply with the Financial Administration and Audit Act and we do not have to worry about the Companies Code. The Minister refers to the Burt Commission on Accountability and says that these bodies must come under the Financial Administration and Audit Act. That legislation was amended last year so that they did, but if we are concerned about what has been going on inside the corporation, the last thing we want is an in-house liquidation directed by the Minister.

The Minister would not have to worry about how the liquidation takes place if it were done by a professional liquidator under the Companies Code. The Minister is saying that he may give directions in writing and we are saying that if the liquidation were done properly - which the Government has the power to have done now - those directions would be quite unnecessary because the liquidator would be carrying out his duty and responsibility according to the law.

Mr TAYLOR: The member is quite right; this clause was lifted directly from the Acts Amendment legislation in relation to accountability and it applies to the Financial Administration and Audit Act legislation. My view is that, because those directions need to be given in writing, that is sufficient for the Minister to make certain that those directions are proper directions. The requirement that they be published is also most appropriate in terms of the way the annual report is presented to the Parliament. If the member is concerned about how often those directions are given, I would be happy to report to the Parliament every six months on how things are going. If I have had to give directions in writing I would be happy to include that fact in that report to the Parliament. I would also be happy to include any directions I may have given in writing.

Clause put and passed.

Clause 13: Delegation -

Mr COURT: Is it the intention of the Government to delegate responsibility to a professional liquidator?

Mr TAYLOR: I give the member full points for trying. It is not the intention to delegate responsibility to a professional liquidator. I believe the people who will be given the job are more than capable of undertaking it given the nature of this legislation.

Clause put and passed.

Clause 14 put and passed.

Clause 15: Resources of Liquidator -

Mr COURT: In part 4 we look at the ability of the liquidator to have the necessary funds to carry out this liquidation. Is the Deputy Premier able to give any estimate of the actual cost of the liquidation? What will the liquidator's fees be? I know the Deputy Premier said he would not employ any more people, but has he been given any indication of the cost of this liquidation?

Mr TAYLOR: The officers to be employed on this task are already employed. I sometimes worry about the nature of the tasks we give people in Treasury. They have an enormous workload, but I have no doubt the officers who will be given this job will be more than capable of undertaking it. It will not be necessary to employ additional staff. We will do the liquidation in the meanest way possible and I do not think very much additional cost to the taxpayers will be involved. That will contrast very much with the process of liquidation suggested recently by the member for Nedlands. A professional liquidator could be very expensive.

Clause put and passed.

Clause 16: Borrowing, and Treasurer's guarantee -

Mr COURT: A completely open-ended approval is being sought here to provide as much money as is wanted to wind up the company. That is a pretty broad power to give. I would have thought the Government would think twice before bringing this legislation to us and saying that the shortfalls, guarantees and so on will come out of the Consolidated Revenue Fund. Last year I recall a lengthy debate on the question that our CRF Bills included some very large payments related to WA Inc losses. During the Budget debate last year the National Party particularly put pressure on the Government. The suggestion was that extraordinary payments should be separated from the Consolidated Revenue Fund accounts. When the Government has involved itself in a business venture and lost \$50 million or whatever, that sum should be the subject of a special Bill. This is a good example of where, if the Government liquidates this new body corporate, the funds should not come out of the Consolidated Revenue Fund.

Under this legislation, the Government does not have to seek from Parliament special approval for that \$30 million; it can have it paid out of the Consolidated Revenue Fund. Under the rules that the Government agreed to last year, if it needed \$30 million it would come to the Parliament with a special Bill seeking that appropriation. It would be debated in this Parliament, not as part of the Budget debate, but as a request for money for an extraordinary payment. The Treasurer can ask also for money to be paid from the Treasurer's Advance which is designed for contingency and other unforeseen payments.

The Minister said that he believes that the WADC has a surplus of funds. None of us will know until the liquidation is complete. There will be no problem if there is a surplus. However, if there is a shortfall and money is required to meet that shortfall, I make it clear to the Chamber that this clause makes it possible for the Government to take that money from the Consolidated Revenue Fund. Here we go again giving a blank cheque to a liquidator who can be directed by the Minister and who, if he or she does not play the role properly, can be replaced by the Minister! I hope that the Minister will not get involved in any funny business. However, we have learnt the hard way with these people! When they were given those powers before, they abused them. This clause is a blank cheque to the Government. I hope that, given its commitment last year, if it required extraordinary payments to be made in this liquidation, the Government would ask the Parliament for a special appropriation.

Mr COWAN: The same matter touched on by the member for Nedlands causes me great concern. Members recall an undertaking given by the then Premier in the Parliament last year not to include in the Budget special appropriations relating to Government guarantees or Government payments for some of its business dealings; in other words, a narrower definition or interpretation of the definition is to be placed on what constitutes the ordinary annual services of Government. Support for this clause would indicate to the Government of the day that the things that we argued for last year in the separation of any guarantees or appropriations as a consequence of the exercise of the guarantee should be separated from the Budget. If we agree to this provision we are, in effect, saying that the guarantees required by the Government will become a matter of course because, in compliance with this provision, the Government will have the capacity to issue whatever amount of money it deems necessary to cover the borrowings of the liquidator.

The Minister said on two or three occasions that the WADC, in being wound up, will have assets totalling \$20 million and that the liquidator may not be required to borrow huge sums of money. I understand that, in the winding up of these companies, the liquidator may be required to ensure a maintenance of cash flow or anything else of that nature which means a guarantee could be issued by the Treasurer. An additional provision is required in this clause making it very clear that the Treasurer should submit to the Parliament a special Bill asking for parliamentary approval before a guarantee is issued as opposed to the current provision which seeks the approval of Parliament for a guarantee when it is exercised; in other words, the Parliament is asked to appropriate money. It would be more fitting if this provision required the Treasurer to bring before Parliament a special Bill allowing such a guarantee to be issued. I do not think that would be difficult. It would provide an additional safeguard.

We have heard the Minister for Finance and Economic Development talk about the requirement for public accountability, that the Government is doing it this way because it complies with the recommendations of the Burt commission, and that it is the most open way of winding up the affairs of the corporation. I do not know to what extent the Government will need to issue guarantees and I do not know how many it will need to issue. However, it would be an even greater exercise in accountability if a statutory limit were placed on the capacity of the Treasurer to issue a guarantee of, say, more than one million dollars so that she could issue a guarantee for \$1 million without recourse to the Parliament until such time as the guarantee was exercised. Then, of course, that money would have to be appropriated. If the Government were interested in accountability, it would ask its advisers to examine the prospect of including in this clause a provision which stated that, where such a guarantee exceeds \$1 million - that is an arbitrary figure - the Treasurer would seek the approval of Parliament. That would enhance the accountability provisions in this clause.

Reservations have been expressed about the open-endedness of this provision. The only way the Parliament can prevent that is to require the Treasurer to seek approval at the time of the issue of the guarantee rather than for the appropriation of funds if any guarantee were exercised. Until now, this Parliament has merely rubber stamped that action. That is what happened last year in relation to payments for WA Government Holdings and for the Rothwells liquidators and is not something that one would like to see happen with the winding up of the WADC.

It has concerned me that in many instances WA Inc has been confused with the activities of WADC. I have always held the view that the concept put forward by Premier Burke of an entrepreneurial style body was the genesis of WA Inc - this was implemented by Statute. However, the WA Inc deals which we know and talk about so freely are quite separate from

the operations of WADC. It would be appropriate for the Minister for Finance and Economic Development to look at placing some requirement in this clause which indicates to this Parliament that its approval will be required regarding guarantees. That would enhance the accountability provisions written into this legislation.

Mr TAYLOR: We are talking about "Borrowing, and Treasurer's guarantee" in relation to the performance of the functioning of the liquidator. In that respect the functions of the liquidator are explained in the clause; it relates to the disposal of property and the discharging of, or making provisions for, any liabilities that are properly payable. This involves the Consolidated Revenue Fund in circumstances in which they are no longer required, and this is a matter of performance.

Mr COURT: And the powers, because the liquidator may carry on anything commenced by WADC.

Mr TAYLOR: That is right. The Leader of the National Party referred to future equity participation, but my understanding is that any future equity participation in ventures would come before the Parliament. If that is the case a problem is created in the circumstances in which Parliament is not sitting; that is, how do we deal with legislative backing if Parliament is not sitting? Of course, the liquidator will be able to deal with issues when Parliament rises - I expect it to start operation in the first week of July. I am prepared to ask the people who prepared the legislation to look at the proposal to see whether some sort of restriction can be placed on the liquidator and the Treasurer in relation to these circumstances. If that is possible, I have no problems with including that provision in the Bill on the basis that it does not restrict the operation of the liquidator. I will certainly look at that, and, if possible, I will include that in the legislation.

Mr COURT: The Minister did not answer the query about the commitment to provide a separate appropriation if a shortfall arose from of the liquidation. The Minister spoke about any guarantee given, but he did not answer the query about a shortfall arising after the liquidation.

Mr Taylor: We do not expect that that would happen.

Mr COURT: No-one is to know that. The Government gave a commitment last year not to include this kind of payment in the Consolidated Revenue Fund account. The Government could provide a separate appropriation for that money. The Government has given a commitment to introduce a separate Bill if, say, a \$30 million shortfall was involved.

Mr Taylor: In relation to equity participation in a commercial venture, we would do that.

Mr COURT: That is what we are talking about.

Mr Taylor: I will look at that in relation to Clause 16. As I said to the Leader of the National Party, I do not want to place the Government in a situation in which it would not be able to bring this matter to a conclusion - I do not want to find ourselves bound in red tape. However, I am prepared to examine the point.

Mr COURT: If payments must be made, they could come out of the Treasurer's Advance Account which is designed for that purpose.

The time has come when we need a different set of rules regarding guarantees provided by Government. We are debating a clause which enables the liquidator to be appointed, or to be directed, by a Minister, and powers are provided for guarantees to be issued and met out of CRF. I would have thought that it would be a good procedure for all Government guarantees to be tabled in this House within a certain time when Parliament is sitting. The guarantees could not be rejected by the Parliament, but the Parliament would be aware that guarantees had been issued and we would be able to debate the guarantees. Would the Minister consider legislation along those lines?

Mr TAYLOR: I am prepared to look at that kind of amendment, but only on the basis that it will not tie the Government up in red tape and prevent this matter from being drawn to an end.

Mr COURT: This clause is particularly open-ended and against what we have been promised in the past. For that reason, we certainly do not support it.

Clause put and passed.

Clauses 17 to 19 put and passed.

Clause 20: Conflict of duties -

Mr COURT: This clause relates to a conflict of duties whereby the liquidator becomes the director of the company in which it has an investment. Under this clause the Companies Code will overrule this legislation.

Mr Taylor: Yes, that point is reasonably detailed in the second reading speech.

Mr COURT: How many companies would WADC be involved with in a directorship capacity and how many liquidators would be directors? Will the Minister provide that information?

Mr Taylor: Yes, I will.

Clause put and passed.

Clause 21 put and passed.

Clause 22: Review of Act -

Mr COURT: How long will it take for the operations to be wound up? How long does the Minister for Finance and Economic Development believe it will take for the new body corporate, which the Opposition considers unnecessary, to be set up? For how long does he estimate the body corporate to be in operation?

Mr TAYLOR: The liquidator will work through this matter. The main issues to be resolved involve the two Underwater Worlds, and of course, Port Kennedy. On top of that we have the issue of the advisory body, LandCorp. It is my opinion that LandCorp should be placed under the control of the Department of Land Administration and that would need some changes to the legislation as it relates to that department. It will take some time but I hope it will be done within 18 months. The Government has been extremely generous and has said it will take three years, but I hope it will be finished by then. It is a guesstimate in regard to finalising legislation relating to LandCorp and the three principle assets listed in my second reading speech.

Clause put and passed.

Clause 23 put and passed.

Clause 24: Amendment of *Government Employees Superannuation Act 1987* -

Mr COURT: Is it possible for the Opposition to be provided with information relating to the superannuation liabilities of Western Australian Development Corporation? As Western Australian Development Corporation will be wound up, will the employees be retrenched or employed elsewhere?

Mr TAYLOR: I hope to have some of that information when the final report for the year ending 30 June is available. I will see what I can do to obtain a copy of it. Sometimes it is of benefit to have officers in the Speaker's Gallery who are able to give me information. I am advised that there are seven companies of which there are directors.

Mr Court: Do you have their names?

Mr TAYLOR: No.

Mr Court: Is it possible to obtain the names of those companies?

Mr TAYLOR: Yes.

Clause put and passed.

Clause 25 put and passed.

Schedule -

Mr COURT: Is it possible for the Opposition to be provided with a list of the current guarantees given by Western Australian Development Corporation.

Mr Taylor: I will obtain that information for the member.

Mr COURT: Clause 8 of the schedule states that the figures for the year ending 30 June 1990 have to be published. When does the Minister expect those figures to be available?

Earlier he mentioned that he would try to give an indication of the balance sheet for LandCorp. When does he estimate he will have those figures?

Mr TAYLOR: I cannot give the member an answer to that off the top of my head. Western Australian Development Corporation, as it stands at the moment, is well aware that we are nearing 30 June 1990 and I hope it is in the business of completing its accounts for that period. As soon as they are available I will be happy to table them in the Parliament.

Mr COURT: As far as the accounts for the year ending 30 June 1990 are concerned would the Minister ensure that the public is made aware of the payout to senior officers of the corporation? The Minister is aware that a great deal of publicity has surrounded the payments to top executives and the public should be entitled to know the details of the final payout to those persons. Under the current reporting requirements I understand there is a banding arrangement for the different salaries paid out. I would like to think we are given information related to the amount incurred in golden handshakes to senior executives of WADC, who seem to have been on a good wicket.

Mr TAYLOR: I will endeavour to obtain that information for the member for Nedlands. I do have a problem in the sense that reasonable confidentiality must be observed.

Mr Court: I do not want the names, but the broad details.

Mr TAYLOR: I am able to give the member for Nedlands the name of the seven companies to which I referred. They are Underwater World International Pty Ltd, Underwater World Sentosa Pty Ltd, Underwater World Management Pty Ltd, FA Custodians Pty Ltd, WADC Superannuation Pty Ltd and Western Australian Events Foundation Pty Ltd. Unfortunately I am unable to read the name of the seventh company, but I will provide it to the member later.

Schedule put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

ACTS AMENDMENT (GOLD BANKING CORPORATION) BILL

Second Reading

Debate resumed from 31 May.

MR COURT (Nedlands) [5.00 pm]: This is an unusual Bill to have following the previous Bill. We fought for years against WADC, which the Government is now winding up and which was covered in the previous Bill. We were then critical of the Government entering into the Gold Banking Corporation legislation and today we are discussing a Bill amending that legislation in some ways in line with what we believe should have been done in the first place.

The gold industry has always played an important role in this State's economy. If one looks through the State's history one sees that this industry has often allowed the State to go against economic trends elsewhere in Australia. This industry made a huge contribution to the economy of this State in the 1970s and 1980s. It is interesting that the Western Australian Mint was established in 1899, at the end of a decade of considerable activity in the gold industry in Western Australia, to refine gold and to mint legal tender coins. By and large, it has been a low key industry in the way it has carried out its duties. To my knowledge there have been no scandals associated with the operations of the Mint.

In 1986 changes started to take place. That was when the WADC moved in - the body whose winding up we have just been debating in the legislation previously before this House. GoldCorp Australia was established in 1986 as a division of the WADC. It was set up to manage the Mint, modernise its gold refining facilities and to make and sell legal tender precious metal coins. The first product it sold was the Australian Nugget gold coin. At the time, former Premier Burke made a big play about the grandiose plans to develop GoldCorp Australia as part of the WADC and we saw the Gold Banking Corporation introduced.

The Government decided to set up a completely integrated gold facility which would not only mint gold coins and refine gold but also would move into banking operations providing

gold loans and the like. I can well remember that we had an extensive debate in this Parliament on that matter. Legislation was introduced to establish Gold Bank, which was to be a State bank. It was an interesting debate because Premier Burke could not explain how that bank would be set up. Under the Federal Constitution the States have the power to set up their own banks; for example, the R & I Bank is a State bank which is not set up under the Reserve Bank's requirements for a Federal banking licence, although the Government gives assurances that the R & I Bank complies with all the requirements of a Federal banking licence as if it held such a licence.

Under the Constitution it is quite within the State's powers to operate a bank. Of course, when the legislation came forward the Government said the proposed bank would meet all the requirements of a Federal banking licence. Tremendous confusion existed at the time when I asked, "Are you actually getting a Federal banking licence?" On one day I got the impression the Government was to get that licence, in which case there was not much point in it having legislation for a State bank because it could go through the procedures to get a Federal banking licence. Then the Government said it would not get a Federal banking licence. It then said it had come to an arrangement with the Federal Government and would not use the name "Gold Bank" until a Federal banking licence was approved.

Instead of doing that, the Government used an interim name, "Gold Corporation." The legislation which came before the Parliament was amended so that the name Gold Corporation could be used. The Opposition could never quite fathom out why the Government wanted to set up a separate gold bank as it already had the R & I Bank, which could have set up a gold speciality division without the necessity for the Government to come to the Parliament with legislation. Also, within the R & I Bank existed another bank, the Primary Industries Bank, which held a Federal banking licence. Therefore, two reasons existed why that action never made sense.

What never made sense to the Opposition was the fact that the Government already had two vehicles through which it could establish that speciality gold division. It was interesting that in his second reading speech relating to this Bill the Minister had the decency to mention the fact that when the legislation was passed originally the Opposition said it was unnecessary to establish a third bank and that he now concedes we were right. That is the only time in the eight years I have been in this place I can recall a Minister admitting in a second reading speech that the Opposition had been right about something. My point is that at that time the Government was excited about that vertically integrated gold banking conglomerate that it wanted to establish.

I think at that time some people thought they saw an opportunity to create a position for themselves. Everyone in the finance industry wants to run a bank or be a senior executive of one and in that case the people involved had the confidence of Premier Burke so they thought, "Why bother going through an establishment such as the R & I Bank when we have the Premier's ear and can talk him into establishing a separate facility with a new chief?" Unfortunately, banks are not established like that. One does not come to the Parliament saying, "We will have a new bank," because capital, skills and expertise are required.

No area is more difficult in banking terms than the gold industry or providing gold loans. The Government started competing with many other people in that speciality area. As we all know, after the WA Inc debacle the Government gave a commitment that it would transfer the banking operations from Gold Corporation to the R & I Bank, which purchased the assets of the so-called banking division.

I would appreciate it if the Minister would tell us when the assets of the Gold Corporation's banking facilities were transferred to the R & I Bank, and how much was paid for those assets. I would be interested in an indication of the status of those loans in which the Government was involved. The Government very quickly went into the gold loan business and other forms of financing for that industry, and I would be very interested to know the quality of those loans and whether the R & I Bank has ended up with a book full of doubtful debts which it could well do without at this stage. I am not saying that the book is full of doubtful debts, or the loans are all of poor quality, but by now the Government should be able to give a good indication of whether it has a problem on its hands as a result of its entry into the gold business. The Government recruited a number of people from South Africa. I have been critical of the Government in many of the things it has done, and in many of the

businesses it has gone into under the banner of the so-called WA Inc, but it was a very good move to recruit people from South Africa for our gold industry. There is no doubt that South Africa is the leader in the gold industry.

Dr Watson: In apartheid.

Mr Lewis: Have you ever been there?

Dr Watson: No.

Mr COURT: Has the member been to South Africa?

Several members interjected.

Mr COURT: Did she enjoy the visit?

Dr Watson: I wouldn't go while they have such a corrupt system.

Mr COURT: This is a member with an open mind! "I wouldn't go to South Africa while they have such a corrupt system."

Dr Watson: That's right; I wouldn't.

Mr Lewis: Would you go to China?

Several members interjected.

The ACTING SPEAKER: Order! The travel arrangements of members are interesting, but not relevant to this Bill.

Mr COURT: This is the hypocrisy of members opposite: "I wouldn't go to South Africa because it has a corrupt Government." Members opposite are experts on South Africa but they do not bother to go there. What about the millions of blacks who live there? Members opposite do not go to see about their plight.

Mr Catania: Have you been there?

Mr COURT: Of course I have.

Mr Catania: What do they say? Do they say they are well off.

Mr COURT: They are a damned sight better off than the blacks in other African countries I have been to. I have been to many African countries and I can tell members where I would prefer to live.

Several members interjected.

The ACTING SPEAKER: Order! What is relevant to this debate is the South African connection with the Gold Banking Corporation, not anything else.

Mr COURT: Members opposite are hypocritical; when it suits them they do not mind going to South Africa and recruiting the expertise for Western Australia's gold mining industry. I support the Government's move. We are very lucky that those people have come here - not only professionals from the gold industry, but also many accountants, lawyers and so on - and are making a great contribution to our State.

Mr Lewis: Where does the Government import its platinum from?

Mr COURT: That is an interesting question. Gold Corporation makes platinum coins. I wonder whether that platinum comes from South Africa.

Mr Lewis: Is that hypocrisy?

Several members interjected.

Mr COURT: The member can answer the question.

Mr Catania: I am asking you.

Mr COURT: The gold goes through some devious routes.

Mr Catania: It comes here via Singapore, so it is from Singapore.

Mr COURT: At least the member is honest about it. I wrote to the Trades and Labor Council recently when the head of the South African Chamber of Mines was here at a gold conference. The TLC was very critical of the fact that a white president of the South African Chamber of Mines was here at a gold conference. I said, "Instead of criticising, you should

get closer to the people in the gold industry in South Africa." The member for Kenwick has a great interest in occupational health and safety. When I was in South Africa recently I spent some time examining the safety provisions and regulations in the South African mining industry. I said that the TLC, instead of adopting the head in the sand approach, could learn a lot from the safety practices developed in South Africa. South African underground mining is the most advanced in the world. We are beginning to move more and more into underground mining, though certainly not to the same extent as South Africa. I had the opportunity to go some 13 000 feet underground. By the time we had worked our way to the mine face, I was scared stiff. I had told my wife that we were going on a tourist trip down the mine and it would take only a short time, but to go two miles underground takes a few hours. By the time we had climbed up the slopes to the area where they were mining, the passage was a metre high. Blacks and whites work alongside each other, and I can assure members that they do not have different safety standards. They are completely dependent upon one another for their safety. There is a lot we could learn from that industry regarding safety standards. It is to the credit of the TLC that it was prepared to communicate with me on this matter, and I believe that some of the coal unions in the Eastern States have an arrangement whereby they swap workers from the South African industry with workers here so that they have an interchange of ideas.

The ACTING SPEAKER: Order! I hope the member for Nedlands will bring the debate back to the Bill.

Mr COURT: I shall come straight back to the point. I support the fact that we were able to obtain expertise from South Africa to work in our gold industry.

The then Burke Government wanted to establish this economically integrated gold operation, so it entered into all these different areas. At the end of the day I do not think there has been any great financial gain for the taxpayers of Western Australia. We often hear members opposite saying that hundreds of millions of dollars of export income come from the sale of gold coins. The reality is that until recently the gold coin program was run at a loss, because large marketing expenses are involved in getting such an operation off the ground. I am not criticising the Government for having gone into the gold coin program, but it should be a little more honest when it uses figures for what it is achieving for our economy. We were told that WADC was a huge money maker which would result in the lowering of taxes and charges. In the case of the gold coin program the Government should have been up front and said, "These are the costs involved, these are the sales, and these are the profits or losses we have been making out of this operation."

I have been told at functions that I have attended that hundreds of millions dollars of export income is being earned from this operation, but that is misleading. I am interested in how that program is going because the Government has invested a lot of money in establishing the coins on the international market. Will the Minister for Finance and Economic Development outline the arrangements that actually take place in obtaining the gold for making the gold coins? I have been told that the Government obtains the gold from the Reserve Bank, turns the gold into coins and sells the coins. At a later stage, it returns the same amount of gold to the Reserve Bank. I would appreciate the Minister advising me whether that is so. I am interested also in finding out whether the fluctuating price of gold affects the viability of the Government's large coin stocks.

I mentioned that the Government transferred its gold banking business to the R & I Bank on 1 July 1989. What price did the R & I Bank pay for it and what was the quality of the loan?

The Gold Banking Corporation Act stated that the temporary name of the corporation would be the Gold Corporation. However, that name has become its permanent name. Why were the Federal Government and the Reserve Bank so reluctant to allow the Government to use the name "Gold Bank"? Under the Constitution, the State has the right to establish a new bank. I stood by that right at the time the original legislation was debated. I repeat, why were the Federal Government and Reserve Bank opposed to the name "Gold Bank"? The rumour at the time was that they were concerned by the Government's business dealings in WA Inc and its close involvement with a number of high-fliers. They were concerned that the use of the name "Gold Bank" would harm the image of all the banks in Australia. Will the Minister explain why they were reluctant to allow the name to be used?

The Gold Corporation became the body's permanent name. Its subsidiaries were the Western Australian Mint and GoldCorp Australia. This legislation removes many of the

banking powers of the corporation but, as the Minister outlined in his second reading speech, other powers will continue because of the Mint's traditional activities and its operation in many financial transactions. The Opposition questioned the financial instrument known as the Australian Gold Note at the time the original legislation was introduced. Why was that necessary when the R & I Bank had the power to do the same thing?

The Government has indicated that it will be repaying the \$25 million subscribed capital and the corporation will have returned to it \$10 million. Does the Government need the \$25 million of subscribed capital returned to it by 30 June for inclusion in the Budget?

Mr Taylor: We would like to have it in by 30 June; it would make life easier. If it is not, we will manage.

Mr COURT: The corporation will then receive \$10 million. Will that be a back-to-back transaction?

Mr Taylor: Yes.

Mr COURT: The \$25 million will not come in prior to 30 June with the \$10 million going out on 1 July, will it?

Mr Taylor: No.

Mr COURT: I hope the Government will not do a Rothwells.

Mr Taylor: No.

Mr COURT: I think it is important that we see a balance sheet. Only in that way will we know whether there are sufficient funds for this deal to take place. Will we have the opportunity to look at a balance sheet at the end of April next year so that we know whether sufficient funds are available for this transaction to take place?

The balance of the legislation refers to recommendations included in the report of the Burt Commission on Accountability, a section of which referred to the Gold Corporation and its subsidiaries, the WA Mint and GoldCorp Australia. We will discuss the other amendments in the Committee stage.

The Opposition supports this legislation. However, it is imperative that with legislation of this type this Parliament be provided with better information. It is all very well for the Government to say that it will be paid back \$25 million. However, at the same time, we are not being told about the financial state of the corporation and whether it has the ability to pay back that money. As I said earlier, the Opposition is keen to be informed how the gold coin program is going and whether the R & I Bank is experiencing difficulties because of the banking operations it took over from the Gold Corporation. Will it be reporting a poor result - according to its chief executive - because of that?

Mr Taylor: No, not to my knowledge. It certainly has not been drawn to my attention.

Mr COURT: The Opposition would also be interested in the quality of the loans taken over by the R & I Bank.

[Leave granted for speech to be continued.]

Debate thus adjourned.

[Questions without notice taken.]

Sitting suspended from 6.00 to 7.30 pm

ACTS AMENDMENT (PERTH MARKET AUTHORITY) BILL

Returned

Bill returned from the Council with amendments.

STATE EMPLOYMENT AND SKILLS DEVELOPMENT AUTHORITY BILL

Second Reading

Debate resumed from 7 June.

MRS EDWARDES (Kingsley) [7.33 pm]: May I say at the outset that I am pleased to note

that the Bill which was introduced this year has been considerably amended since it was considered last year. I am also pleased to note that the Government took on board the Liberal Party's comments and consulted many of the industry bodies which it had failed to do previously. We in the Liberal Party will applaud any general move to improve training, skills and productivity in this State. That is very important, because the Liberal Party does not approach legislation with a view to opposing it, although I am sure members opposite sometimes believe that to be the position. We treat Bills seriously. We spent a considerable number of hours going through this piece of legislation, not only last year but also this year, talking with industry groups, reviewing and consulting widely, before we adopted our present position. We can only reiterate some of the Minister's sentiments expressed in his second reading speech and in the report of the tripartite overseas mission on productivity and training.

I shall refer to some of those comments so that members opposite will not get our view wrong. We will support any genuine attempts to improve training, skills and productivity in Western Australia. In the foreword to that report, which was put out in August 1987, the then Minister for Labour, Productivity and Employment, Peter Dowding, stated that the training and retraining needs of the work force are of importance to each country's economic wellbeing. He added that it was essential to have a highly skilled, highly motivated work force. He said that our human resources are our most important resources, and we in the Liberal Party can only agree with those comments. Training is essential to productivity; it is essential to international competitiveness and to the quality of working life.

The mission agreed that skills training is an area which should be given high priority for expansion and it is important to Western Australia. This was mentioned as an area which could provide the basis for improving productivity. It is very important to note that a member in the other place who accompanied the mission put in a minority report to which the Minister referred in his second reading speech when he said that the subsequent negotiations transcended political barriers.

May I take some time to go through several of the comments of the Minister in his second reading speech? He stated that for the first time statutory recognition of the fundamental importance of skills development to the State's future prosperity would be introduced as a result of SESDA. We do not have a problem with that thinking; we do not have a problem with the name SESDA. It is with the structure of SESDA that we disagree. We do not have a problem with the Minister recognising a direct relationship between training, productivity and economic growth. We do not have a problem with the Minister saying the message is clear that if Western Australia is to develop industries which are competitive, it is critical that we understand and develop the importance between a highly skilled work force and industry productivity. He recognises this relationship is already well understood in a growing number of industries in this State, and he indicates that mining is such a sector.

The Minister also referred to the fact that the submissions from all the industry groups - we met and discussed, if not by telephone, personally, with probably as many industry groups as the Minister and representatives from his office - supported the need for, firstly, rationalising the existing advisory network; and, secondly, empowering industry to set industry policy. I stress that second point, which is very important. Thirdly, increasing the productivity of this State's industry; and fourthly, facilitating improved national and international competitiveness.

Training reform is essential. We agree that the way the present award restructuring is going, skills training and retraining will be equally important if we are to secure a work force in which skills are relevant to the industry and to the economic opportunities available in this State. In his speech, the Minister for Productivity and Labour Relations expressed preference for an industry-by-industry approach where industry devises arrangements to increase the level of training investment in a manner which suits the characteristics of the industry concerned. The Minister made that comment after talking about the Australian training guarantee. Many of the small businesses in my area, although not having spent money on training previously, will make sure that the Government does not get its \$2 000 because they will ensure that they will spend that money on training before they give it to the Government. It is important to realise that the Australian training guarantee levy, which has been passed already by the Federal Government, will alert industries to the fact that they will have to spend some money on some form of training. However, they will have to come up with the ways in which they will do that.

Mr Troy: Would many businesses be affected by the \$200 000 ceiling? Most small businesses in WA would be excluded.

Mrs EDWARDES: Yes. Several industries in the Wangara and Malaga area will probably have to pay the minimum, but they will make sure the Government does not get that money. They will make sure of their investments. They have indicated to me in discussions that I have had with them that the type of training they will undertake will cost them more than the minimum amount of \$2 000 because they know that the implementation of any form of in service training costs more than the \$2 000. However, they are taking that on board. Many States have not realised that much of the funds eligible to go into the Australian training guarantee fund will not do so because those industries will spend it.

The Minister said that SESDA provides for a coordinated framework. He said that, at present, no such coordination exists and the current system is highly fragmented. We agree with that and see a need for rationalisation or coordination, if the Minister wants to call it a coordinated framework of the industry and employment training councils. However, we do have a problem with the way in which SESDA has been developed.

The Minister also said -

The cornerstone of the SESDA framework is the network of Industry and Employment Training Councils - IETCs. These will be the driving force for industry's involvement in training reforms.

However, there is no guarantee that, if an industry wants to provide that training, it will be approved as a training provider. I know that it is not necessary for an industry to become approved as a training provider. However, we are concerned there may be potential problems with the unions about the tripartite make-up of the authority or the board. We have seen these problems occur in the tripartite set-up under the occupational health, safety and welfare legislation. If negotiations do not proceed satisfactorily between the employer and the union, pressure will be brought to bear by the union. That should be recognised. Also, there is no guarantee in the SESDA legislation that the training programs promoted by an industry will be accepted.

We suggest that the plans put up by the IETCs as part of a larger plan to go to the Minister have to be industry driven. If an industry decides that a training program should be adopted by it, where is the line drawn between the Minister and what the industry wants? The way SESDA will be structured, an industry will have to go through a number of steps before its program will be accepted.

Mr Troy: That does not exclude an industry or even an enterprise undertaking training outside of the network if it desires. Do you acknowledge that?

Mrs EDWARDES: Yes, but if SESDA does not approve of the course, will the industry be granted an exemption?

Mr Troy: I think the exemption side will be quite generous. However, it is required that the return of part of the levy to the State be distributed through a tripartite mechanism. That will not preclude them from gaining exemptions if they are putting it in already in a different form.

Mrs EDWARDES: I know this is an area about which several industries have expressed concern. They are concerned that some of the programs which they believe need to be introduced into the workplace will not receive the correct recognition by SESDA or its board. That is not something that has been put in writing, but it is something that we have addressed in our amendment.

In his second reading speech, the Minister has recognised that industry groups will define their own needs and resolve issues of representation, organisation and operation of councils according to their particular characteristics and industry's requirements. There was concern when the previous piece of legislation was introduced last year that that area was not sufficiently well set out.

However, the Minister goes on further to refer to - these are just words, I do not believe this will be put into practise - the pivotal roles of the IETCs in developing industry policy. He said -

IETCs will have responsibility for establishing their industry's training priorities for the year and will have access to the Minister if they believe that their needs have not been adequately addressed by the authority.

We know that they have to prepare an annual report which is then placed into a much larger plan which, in turn, goes to the Minister. I and the industry bodies believe that it will be a very slow and cumbersome process in giving the IETCs the responsibility for establishing their own industry's training priorities. What if their priorities are not the same as those set down by the authority or the Minister? In fact, this legislation will not allow industries to have the responsibility to establish their industry's training priority. I invite the Minister to contradict me on that matter at a later stage. He said -

The IETCs will be tripartite bodies, with a legislative requirement to seek to reach a consensus before using the voting procedures prescribed.

The Minister went to great lengths to say that the process established under the IETCs will assist in getting the decision-making flowing so that minority bodies on each of the IETCs will not be able to hold up any of the decisions.

I recognise that the Minister has gone to great lengths to place that provision into the Bill, but if one is talking about consensus, one must refer to the groups working together - the union and employer representatives - with unanimous decisions rather than a consensus of all the bodies which are present on the night. I recognise the fact that the Minister has gone to the trouble to overcome the criticisms made of the decision-making process. The Minister states in his second reading speech that, "during the consultative process some concerns were expressed about the need to ensure independence of the board, while, at the same time, retaining the integration within the SESDA network." I acknowledge that the Minister has taken this process into account in the revised Bill before the House; the members of the board will be appointed under the responsibility of the Minister rather than that of the board - that is important. This restricts the board to accreditation matters without limiting anything that IETCs may wish to put before the board.

I refer now to some other comments within the Minister's second reading speech: I am taking the time to go through these points because it is important that the House and the Minister realise that we have treated this legislation very seriously. We have not just received it and given it little thought or made a decision lightly. The member for Riverton, members from the other place and I have spent a considerable number of hours working on this Bill. The Minister states that "the development authority will create for the first time in this State a single forum for the development of training policy and a strategic view of skills formation". That is not necessarily a problem because a department is in place which can already take care of the development of training policy with a strategic view of skills formation. That department is the Department of Employment and Training, although I believe it is now under another name - it is difficult to keep up with all the changes.

Mr Troy: You are wrong; it has not changed. You are confusing this with the Department of Labour and Industrial Relations.

Mrs EDWARDES: The Minister can understand our confusion with all the name changes.

Mr Troy: The split of the Opposition's previous portfolios has made it difficult for you.

Mrs EDWARDES: I am glad that the Minister is taking an interest in what we are doing on this side of the House.

SESDA is really a decision-making body rather than an advisory body. The Minister has stated that it is a single forum for devising training policy, but that does not mean that SESDA, in the form indicated in the previous Bill, is the only format for devising the structure of training policy or the structure for skills formation.

Mr Troy: Are you suggesting that it will duplicate the work of the Department of Employment and Training?

Mrs EDWARDES: I am sure that the Government has plans for SESDA to take over most of the functions of the Department of Employment and Training.

Mr Troy: That is the purpose of its establishment; we are trying to give industry a greater involvement in training.

Mrs EDWARDES: We are not against SESDA; it is the structure to which we object. We are not against SESDA having a policy framework or a framework for skills formation; it is only the structure and how it will achieve that aim with which the Opposition has difficulty.

Mr Troy: Yes, but that is determined by the size of the authority. Most of the policy development in each industry area will be transferred into the relevant industry - that is the cornerstone to which I referred. It is important that it adopts that role; we will never have fully effective vocational training if it is imposed from the top, and we are trying to change that.

Mrs EDWARDES: I am having difficulty relating what the Minister is saying to what is in the Bill. The IETCs will be able to advise the Government on what the industry needs under the legislation.

Mr Troy: It will advise SESDA as an authority.

Mrs EDWARDES: And through the authority, to the Government.

Mr Troy: That is right. To allow you to be a little more comfortable with this, the work force at SESDA will be limited to about 25 people. Therefore, it will simply not have the capacity to undertake the role which should rightly be pursued by each industry group. A private sector representative will be with SESDA to be a watchdog on that.

Mrs EDWARDES: If the Minister is referring to the fact that I was talking about the structure of SESDA, I was not discussing the fact that it may be overburdened with public servants - that has not been raised. The process of gaining a decision which the industry and employment training councils may want will be a cumbersome process, but that does not mean that it will be overburdened with public servants.

I will now highlight some important points raised in the second reading speech: These refer to the representation on the authority and on the board. This Bill amends a Bill which was presented last year to include wider representation from employer organisations on both the authority and on the board. I recognise the amendment to the Bill, but while it widens the representation it still refers to a particular peak employer body. When we come to the Trades and Labor Council, this reference is not as general as the proposed employer representation; however, the Minister stated that he has indicated to the Trades and Labor Council - verbally I presume - that in making its nomination it must ensure that the nomination is in the wider industry's and general community's interest.

Mr Troy: That is in the second reading speech.

Mrs EDWARDES: That is what I am referring to.

Mr Troy: So, it is more than a verbal indication.

Mrs EDWARDES: Okay, it is in black and white in the Minister's second reading speech, but obviously when it comes to the issue of the Minister making these appointments, he will have to ensure that the nominations coming from the Trades and Labor Council will be representative of industry's and the wider community's interest. The Minister also referred to the fact that the Trades and Labor Council will have to give consideration to those unions which are not affiliated with it; it must also have regard for employees who are not members of a union - this is a very important point. In one of our amendments we delete the specific references to the peak union and employer bodies. These peak bodies - as they are referred to by the Minister - are not necessarily representative of the employer and employee organisations. As it is stated in the second reading speech, the onus is on the Minister to ensure that the nominations he accepts from the industry bodies are in the best interests of everybody concerned.

I have outlined to the House the parts of the Bill with which we agree and the importance we place on training and skills to Western Australian industry. I have also hinted at areas with which we do not agree and in particular the tripartite cooperation being considered the most appropriate body. I am not talking about employer, employee or Government relations, I am talking about the recommendations of those peak organisations which will be represented on the State Employment and Skills Development Authority. The Government is ignoring the legitimate contributions that could be made in the fields of training and industrial relations by other groups in the community. It is imperative that the Minister ensure that the recommendations of those other groups are accepted. That is one of the reasons why the

Liberal Party has made this recommendation. It does not exclude Trades and Labor Council representation or representation by the Confederation of Western Australian Industry. The Minister, in his second reading speech, has gone to some length in talking about the States of Australia which have set up similar training bodies. Victoria has a model which is similar to the SESDA model; however, it has established antipathy and ill-feeling in its industries. Therefore, when the Minister referred to what the other States have implemented he is perhaps not representing their true position.

Mr Troy: Have you consulted your New South Wales colleagues?

Mrs EDWARDES: I have met them across a desk.

Mr Troy: To whom did you speak? The Minister for Education or the Minister for Labour?

Mrs EDWARDES: The Minister for Labour. In Tasmania, South Australia, New South Wales and Queensland the onus for advice for education and training matters rests solely in the hands of industry. Quite a bit of difference exists between those States and Victoria on how advice is received and what happens to that advice.

Mr Troy: Do you think the employers in this State would cop the Tasmanian solution?

Mrs EDWARDES: Employers have hinted at a preference for the Queensland system.

Mr Troy: Prior to Queensland's last election?

Mrs EDWARDES: The Minister for Productivity and Labour Relations may have a point; that was before the Labor Government was elected.

Mr Troy: I am right. The point that Mrs Edwardes is moving towards is that the Government's IETC proposal is similar to the network which exists in Queensland. The Government has no argument about the fact that its IETC model does not remove anything from the Queensland model. The Federal IETC model has become bureaucratically driven and industry is not included to the extent that was originally intended. This Government believes that its IETC network will solve that problem.

Mrs EDWARDES: I agree with what the Minister has said which is why the Opposition sees the need for a rationalisation of IETCs. Some are working very well and the Opposition recognises that; however, we say that under the SESDA structure IETCs should be industry driven. The Government has said that IETCs will set their own programs; they will have the pivotal role. However, that will not be the case as in practice they will be set up to work out what their industry needs, and they will set down their annual plans which will then become part of the Minister's strategic plan over a three, four or five year basis. By the time all those things happen, what the industry saw as being necessary for annual planning will be out of date.

Mr Troy: I do not believe so and I can give the member for Kingsley certain comfort there.

Mrs EDWARDES: How will the Minister cut those corners?

Mr Troy: They will be cut; things will not be held up.

Mrs EDWARDES: That is the crux of why the industry will not be seen as driving its own format. What an industry sees as its priority for an IETC, may not be accepted by SESDA. I cannot give reasons for that now because it is difficult to see ahead without a crystal ball, but it could relate to conflicts between personalities.

Mr Troy: It could be that we have provisions to get around that.

Mrs EDWARDES: Yes, through the Minister.

Mr Troy: That is right. It is not the Government's intention that SESDA will be a major bureaucratic organisation; it will be a small group which will consist of industry rather than be totally Government controlled, and it will be dependent on details coming out of the IETC as it will not have the capacity to do that itself.

Mrs EDWARDES: I did not say that SESDA would be a bureaucratically controlled organisation, I said that it would perhaps be biased in the terms of its structure and that the decision-making process will be slow and cumbersome. It is difficult to clarify those sorts of problems until one sees the results of other pieces of legislation which have a tripartite basis as their cornerstone. While the Government suggests that IETCs will be industry

driven, they will not necessarily have control over what will be implemented for their industry. They will be able to advise the Minister on how they would like it implemented, but their advice will not necessarily be put into practice.

Mr Troy: I do not agree with the member for Kingsley. She is overstressing the likely intrusion from the peak group. She has to realise that the basis of the legislation is that of a cooperative arrangement and certainly a decision might take longer than if it were made by a single party. Does she want the process to work constructively or not? The whole climate will change because the Government is building a framework where cooperation will come to the fore. I do not anticipate any of the troubles referred to by the member for Kingsley and certainly not in the same proportions she has suggested. Where trouble does occur there will be mechanisms in place to unlock them.

Mrs EDWARDES: I take the Minister's point, but I am outlining the Opposition's reasons for supporting the Government's proposal generally. The amendments that the Opposition is proposing will overcome some of the difficulties that the Opposition and industry have had the foresight to recognise.

Mr Troy: What part of industry is recommending changes?

Mrs EDWARDES: There have been quite a few.

Mr Troy: I hope the member for Kingsley will name them tonight.

Mrs EDWARDES: I will certainly do so. I will also recognise the fact that they have worked with the Opposition to arrive at a satisfactory resolution so that the Liberal Party has been able to endorse amendments to the Government's Bill to ensure that SESDA will not be lost. The Liberal Party is very clear in its support of efforts to improve training and skills development in this State. The Liberal Party has put forward amendments to this Bill to tighten up the legislation to cover some of the concerns which industry has put forward. When talking about why SESDA was created the Minister alerted us to the fact that it will take over some of the functions of the Department of Employment and Training, and we have no difficulty with that. We do have difficulty with why it has been created and the way in which it has been created. The answer to the question why the Minister proceeded down that track is the fact that SESDA, because of the way it is structured, is not about training but about industrial power. We have seen that power exercised under the Occupational Health, Safety and Welfare Act.

The basic industry employment and training councils concept of autonomy and industry control will not apply; they will be subject to the control and approval of the board and the authority. In fact, we believe that industry ownership and control of IETCs is absolutely essential if SESDA is to work. The need is for the industry rather than the Government, which is a representative on a tripartite basis, and the units to have ownership and control of the IETCs. We do not believe peak bodies should be used in that tripartite representation and that is one of the reasons we put forward a recommendation to widen it, so that peak bodies are not specified but can be approved by the Minister, if he so wishes.

When the possibility exists of the union exercising - as we have seen it exercise - its industrial muscle in relation to the Occupational Health, Safety and Welfare Act, I keep repeating that that is a perfect example of where the tripartite system has gone wrong. It started as well-meaning in its aim of getting industry employer groups and employee groups to support some of the things this Government wanted done; if the Government wanted to put something in place it would put it before that body for approval. Therefore, the Government could quite rightly say an independent body had looked at the matter and that it had been approved or recommended. However, the occupational, health safety and welfare bodies established under that Act have proved that industrial muscle comes through quite clearly on many occasions. We are concerned that that will be the case with SESDA. It is important that the unions be represented on the authority and board as they may be exercising functions of that authority and board in areas where there is presently no industrial power or union representation.

Mr Troy: Abuse in that system is not denied but will the member for Kingsley acknowledge the argument that it is not all on one side? Part of the reason is that representatives on both sides - employer and employee - have not yet been subjected to the training they should get. Of the order of 5 000 worker representatives and nearly 2 000 supervisor representatives

have to go through that training scheme. They are only 40 per cent of the way through and that is part of the present difficulty with occupational health.

Mrs EDWARDES: I am glad the Minister recognises the fact that abuses occur. I am sure he recognises that they have occurred primarily in the building industry.

Mr Troy: Yes. That is why I have had a committee examining that matter since September last year; in fact, it reported to me today.

Mrs EDWARDES: We will be interested to hear about that, perhaps in answer to a question without notice tomorrow evening.

I have spelt out quite clearly that the way SESDA will operate will not necessarily be the best system to improve efficiency and productivity in the State because of the way the IETC must refer its annual plan to the authority under this proposed system. The authority, in turn, will develop the plan into the strategic and operational plan which will go to the Minister who can return that plan for variation before giving approval. The Minister may have given assurances that that process will not be slow, but he recognises clearly that in some instances it will definitely be a cumbersome and unwieldy process before some plans and policies are put into effect. By that time some of those plans and policies may be obsolete so far as the industry is concerned, although it was obviously important for them to be considered at that time.

I said earlier that I was pleased that the Government had consulted widely with industry. It was disturbing after talking to some industry bodies which last year held particular concerns to find when I got back to them this year that they were now happy for the introduction of the SESDA Bill in its new form. I said that was great and asked them how their concerns had been met and how they had received assurances about those concerns. They said, "It is okay. The Minister has given us assurances." I said, "That is great. Have you got it in writing yet?" They said, "No, but the Minister assures us that our concerns will be taken into account." I have a particular concern about verbal assurances not being put into black and white. In seeking to keep the Minister to his word regarding his second reading speech - and I am not sure about second reading speeches binding future Ministers - he was questioned more closely, but we have not received anything other than, "Trust me, I am the Minister. I now give you my verbal assurance that your concerns will be looked at. We will take care of you." As a solicitor I can say that verbal assurances are the subject of the heaviest pieces of litigation.

Mr Troy: Did the member for Kingsley come across any organisation which wrote to me after receiving verbal explanations and reassurances which was still concerned and which has not yet had an answer from me? Did the member find one?

Mrs EDWARDES: No, because most of the ones I am talking about did not write to the Minister about their concerns after they spoke to him.

Mr Troy: Is the member talking about existing industry training councils?

Mrs EDWARDES: No.

Mr Troy: Could the member be more specific about whom she is talking about?

Mrs EDWARDES: I can certainly let the Minister know later as I have on my desk information in relation to telephone calls I have taken. I mention telephone calls because Opposition members have taken it upon themselves to get back to all the people they spoke to or who wrote to them in the first instance to ensure that those people are aware of the Opposition's position and, more importantly, to find out whether the Minister had actually spoken to them and reassured them. The fact is that these people came back saying they had received verbal assurances. Perhaps those verbal assurances have come from meetings with the Minister or his officers.

Mr Troy: I will give the member a written list.

Mrs EDWARDES: I have received a list of some of the written ones because they were put in writing to the Minister and copies were sent to me. We acknowledge that some industries have happily come away from discussions with the Minister or his officers and put in writing the fact that they are happy for SESDA to proceed in its present format. I acknowledge that some industries and industry training councils are prepared to accept SESDA, as some are not.

Mr Troy: Of the 15, 13 have written in support, one has been told what to do by its industry group and another has not yet replied.

Mrs EDWARDES: The Minister can outline all those who have written to him later.

Mr Troy: If the member for Kingsley is to start to put some construction on her argument she will have to come up with detail or we will dismiss it.

Mrs EDWARDES: The Minister cannot dismiss it, because the Opposition has taken considerable time to meet with industry groups, go through the legislation and discuss amongst ourselves what we are prepared to go through. This is not something we have taken on lightly.

I am concerned that when industries have talked about amending or changing particular things in the legislation the Minister or his officers have stated quite clearly, "Do not worry about tightening the Bill; the looser the better - it provides better flexibility." I am not sure if those are the sorts of words the Minister or his officers would use, and I would welcome the Minister's comments. As a solicitor I can say that loose legislation does not work, and that is another reason why we have put in some of the amendments - to ensure tightening up specifically the accountability provisions.

Mr Troy: It is not in our interests to leave any industry with any concern, so I find that statement difficult to accept.

Mrs EDWARDES: That is why I raised it - because I think it is important the Minister has the opportunity either to confirm or deny something which has been put to us as a statement from the Minister or his officers.

Mr Troy: I deny it now.

Mrs EDWARDES: When we talk about particular industries that we have met, I should point to the work which the Chamber of Mines has carried out. It has put a lot of time, work and effort into this, but not on its own; it has worked in conjunction with several industry bodies. It has circulated the work it has undertaken to a wide group of people, and we have continued with this. I know the Minister has spent many hours on this Bill, as we have, and the amendments we have on the Notice Paper result from an aggregation of the thoughts of many people and industries.

In the Minister's second reading speech he refers to the fact that he called for submissions, and he made quite a big point about the mining industry. The Chamber of Mines represents the collective industries of companies involved in mining exploration, production and processing in Western Australia. It is this industry which provides more than half of Western Australia's export income, and directly or indirectly it provides employment for one in every six Western Australian workers. This comes from the chamber's discussion paper in 1989.

Mr Troy: How many would the industry cover directly?

Mrs EDWARDES: It is not by accident that the chamber is in that position; it is because it has treated industry training as being very important to their increased productivity and efficiency. It has been driven by market needs. The chamber has gone to great lengths to support the rationalisation and coordination of training in order to improve the State's training effort. I recognise the large amount of work the chamber has done in order to assist with some form of acceptance by SESDA.

Basically our amendments can be summed up in several areas. I have mentioned the tripartite representation. It is quite clear that peak bodies are not necessarily the best people for the job; in fact the best people may be denied the opportunity of being chosen for the job. However, those peak bodies are not necessarily excluded. It does not exclude the TLC, nor does it exclude the confederation. We do not see the need for the stipulation of those peak bodies in the legislation. Our other amendments go towards decision making. By consensus we mean unanimity. Further, the amendments modify some of the courses of action taken by the authority. As a result of our amendments SESDA will be more explicitly accountable to Parliament for its activities.

When we talk about SESDA we accept the role of training and skills development in Western Australia for increased productivity. We support the establishment of an advisory body, not a decision-making body. If SESDA is to work it must be industry driven. That will not necessarily be the case under the proposal before this House. What we really need is

a genuine move to improve that training, productivity and skills development. If the Minister is really serious about the industry employment and training councils being in control, being the cornerstone and playing a pivotal role in the industry's needs, he will ensure that the process of achieving some of those priorities will not involve going through that slow, bureaucratic structure. SESDA will be bureaucratic in its nature, even with industry bodies represented.

I would like the Minister to explain the funding. He stated in his second reading speech that there will be no second levy, and I acknowledge that proposals for a levy would have to come before the House in any event. I am talking about State and Federal funds going into the SESDA authority. How will the money which the ITCs are receiving directly now be distributed? Will the authority distribute the funds which the IETCs obtain for what they believe are priorities, or will the priorities which the authority and/or the Minister see determine where those funds from the Federal and State Governments go? That is important in terms of acknowledging or not acknowledging that industry will be driving its own needs for training and skills development.

The formation of SESDA has not been training driven; it is becoming an industrial issue. Training is not an industrial issue. While I acknowledge the TLC input, I reject the possibility of some union control. I am glad the Minister has acknowledged that union muscle has resulted from former tripartite pieces of legislation. It is very important that we talk about this legislation being industry driven, and the industries themselves must be able to determine for themselves what their needs will be. At the present time it will be slow and cumbersome for industries to put their needs into practice, and that is one of the biggest criticisms of the present SESDA structure.

Mr Troy: Rubbish.

Mrs EDWARDES: I am glad the Minister states it is rubbish, but I cannot see that he will be able to guarantee anything different under the system whereby the annual plans will go into the strategic plans and then on to the Minister who can then make alterations or variations to go back to the authority for amendment. How does the Minister intend to circumvent that?

Mr Troy: What do we have currently, and what time does it take?

Mrs EDWARDES: We agree there is a need for rationalisation, but why will it be necessary for the industry employment and training council to develop its annual plan, which must be approved to be incorporated into the strategic plan, and must then go to the Minister?

Mr Troy: That is where you have it wrong to start with, because you do not have an operational plan for one year prior to developing a strategic plan. That is your forward looking overview. You develop a strategic plan before you ever have an annual operational plan. The operational plan for the year mirrors the strategic plan that you set down for the organisation. If you believe that the whole SESDA concept can survive if there is continuous intrusion by the authority or the Minister, you are wrong, because if that occurs, industry will walk away from it - and so it should. We are totally dependent on industry driving the system, and the whole structure of SESDA and the IETC network has been established on that parameter.

Mrs EDWARDES: If they walk away from it, the Minister still has the right to establish committees and receive Commonwealth funding to implement whatever he determines.

Mr Troy: And if that happens at the authority in an extensive way, what do the employers on the SESDA authority do? They walk away from it.

Mrs EDWARDES: That is all the more reason to open up the representation so that it is much wider, rather than just including that peak body. The Minister should delete the peak body.

Mr Troy: I think you misunderstand it.

Mrs EDWARDES: I do not think so. The Minister's second reading speech refers to the annual report having to be included in the strategic plan. Not once did he say in that speech that the annual report must mirror the strategic plan.

Mr Troy: And the operational plan.

Mrs EDWARDES: The second reading speech does not refer to it at all.

Mr Troy: But you are missing the whole premise of SESDA. Go back and look at the recommendations which came from the overseas study tour, then look at the interim training council and what emerged from that, then look at the Bill and see how those things are mirrored in it.

Mrs EDWARDES: The Minister talks about mirroring what the report on the tripartite overseas mission referred to, quite clearly, but in fact from subsequent discussions it appears the implementation of the recommendations of that report has caused some problems. That is the reason we have been prepared to accept and adopt amendments which will tighten and improve the Government's legislation. We could quite easily agree with the foreword, as I stated right at the beginning. I confirm that the Liberal Party is not opposed to training and retraining. We are not opposed to the State Employment and Skills Development Authority other than in the way it is to be implemented. We are agreed, as I said right at the beginning, that the training and retraining needs of the work force are of importance to each country's economic well-being, and we also believe that our human resources are our most important resources and that it is absolutely essential that we have a highly skilled, motivated work force. That is the reason we have spent so much time going through a highly technical piece of legislation - to come to a position where we believe industry will have far more control than is presently being put before this House.

MR TRENORDEN (Avon) [8.33 pm]: I will happily become involved in this debate about the establishment of the State Employment and Skills Development Authority. It has been a long time coming and it has also been a very painful route. Late last year, with the ups and downs of this legislation, we reached a point where we, along with the Liberal Party, were forced to take a stance and say that unless some consensus were reached in the community about the Bill we would not support it. I have to report that the consensus is still not there, so there is some concern about the progress of this Bill.

In my address I want to put down not the planks of the platform but the overall position we should be in with regard to skills training. The problem, and it has been emphasised in a large number of cases, is that our competitiveness in the world market is declining. We must lift our game; nobody would argue with that. On the Federal scene the economic commentators - Walsh, Button, and many people from the Liberal and National Parties - are saying roughly the same thing; that is, "We are having a severe contraction in our standing in the world, and if we are to do something about it we must become involved in the problems we have with productivity." When we begin talking about those problems we always come back to the Labor Government and industrial relations, and skills development is an important part of that arena.

Mr Kierath: But it is not the be-all and end-all.

Mr TRENORDEN: No it is not, but it is still an important part. This country has the worst industrial relations system in the western world and we are struggling with the system because it is an adversary-type system; it is built on conflict. Many people who have spoken out in recent times about a method by which we can lift the standard of our nation are talking about ways of overcoming that system of constant conflict. If we do not get around it, we will not progress.

Mr Marlborough: It is a good scheme.

Mr TRENORDEN: I am sure the member for Peel thinks so - he is a child of the scheme. He came to this place from it and he is a very good, pugnacious type of character. I see that he thrives on it, but a few of us would like to live life a little more easily than that. Personally I do not like having brawls with people.

The discussion paper talks about the importance of recognising that employees must be skilled, and that is true. It goes on to say that unemployment, though not as high as it was a number of years ago, is still high, and that a number of people are having trouble joining the labour force. As well, it must be noted that we have a declining labour cost which, in the whole equation, is not helping us to be more productive. That labour cost in all of our production is not reflected at the end of the system. We should be concerned about that because our wages now, I am told, are equivalent to about 50 per cent of those of the Japanese worker. Why is that not reflected at the other end? Part of the problem relates to skills.

Mr Kierath: Don't forget the restrictive work practices.

Mr TRENORDEN: I said earlier that we had the worst industrial relations system in the world.

Mr Troy: So are you anxious to go down a path of goodwill and change all this?

Mr TRENORDEN: Yes, we are.

Mr Troy: Good; let us go to the next paragraph.

Mr TRENORDEN: We will hold out the olive branch to the Minister and see how far we can get down that road.

Mr Troy: Training and the goodwill that can emerge from the understanding of it is pretty important.

Mr TRENORDEN: Exactly; that is a correct statement. We understand just how important it is to develop skills in Western Australia. In the rural industries, in particular, skills are not well developed. TAFE has not developed any system to meet demands, and the education system is breaking down.

Mr Troy: TAFE is, but it needs a contribution. How can we ask the taxpayers to take us above the No 3 position in the OECD? We cannot ask the taxpayers for more.

Mr TRENORDEN: I would love to get involved in an argument about TAFE, because TAFE has failed rural Western Australia. Western Australia is the only State which does not have an inland college; TAFE has no desire to deliver regional representation to rural people.

Mr Troy: I am happy to talk about that.

Mr TRENORDEN: I would enjoy a debate about TAFE but now is not the time because the Deputy Speaker will growl. I get nervous when he growls.

The paper talks about secondary retention rates in Western Australia. In 1987, 50 per cent of students completed secondary schooling to year 12 compared with 35 per cent in 1982. The paper goes on to say that in 1986, 51 per cent of the Western Australian adult work force had no post secondary school qualifications; West Germany had only 28 per cent with no post school qualifications in 1982; those numbers are expected to decline to 20 per cent by 1990. Those figures have improved dramatically in relation to the metropolitan area in Western Australia, not in the rural sector. The retention rate for children in rural Western Australia is still deplorable. Last night I attended a function at Northam where the Commissioner for Equal Opportunity gave an address; June Williams did a good job and threw out a controversial challenge to a group of men in an all-male organisation, Rotary. She said that not only women but also Aborigines, migrants, and a number of other people are disadvantaged in the system. I emphasise that the most disadvantaged people in terms of equal opportunity are those in my electorate in the central wheatbelt; that is, the children who want education are more disadvantaged than women, Aborigines or migrants.

In Northam, 700 families of central European background have lived in the area since the second World War. The major problem in delivering equal opportunities is to educate our children beyond year 10. It is all right for people who have money, but I am talking about the families which do not have the financial resources to meet a system which insists that if people want their children educated they have to be exported from the area. Rural people know about the development of skills; we want to be able to meet the Government on common ground where we can develop a system which increases our skills throughout the whole State. Even though we may have preferential interests in some areas we should deliver skills training right across the board.

We have problems with this legislation. The Bill introduces the preconceived conditions and ideas of the Trades and Labor Council and the Confederation of WA Industry. The discussion paper intimates that the Bill was built on the results of a tour by a party to Europe to consider the situation in that area. Those ideas were then applied in Western Australia. The premise on which the Bill is built is one which has failed in Scandinavia. The tripartite system -

Mr Troy: Are you talking about vocational training?

Mr TRENORDEN: I am talking about the tripartite system.

Mr Troy: Are you talking about the tripartite process in vocational training? The member should be specific. Is he saying that the process has failed in Scandinavia.

Mr TRENORDEN: Yes.

Mr Troy: It has failed in vocational training?

Mr TRENORDEN: Not on the specific issue of vocational training. I am talking about developing a Government system which works on tripartite issues.

Mr Troy: The Bill talks about vocational training.

Mr TRENORDEN: I know, but it also cements into the Bill the position of the Trades and Labor Council and the Confederation of Industry. That is a premise -

Mr Marlborough: You referred to that trip because it is a trip you did not go on.

Mr TRENORDEN: That is true, and there are few more this year I will not go on. That is another issue.

The position of the TLC is cemented into this legislation, as is the position of the Confederation of Industry, and those positions are carried forward into the system of skills training.

Mr Troy: Would you acknowledge that those two industry partners have made a significant contribution to vocational training for many years in this State?

Mr TRENORDEN: Yes, I would. I do not have any problems with that. It is natural that when the TLC representatives and the Confederation of Industry's representatives begin debate they carry with them preconceived ideas. We are moving our industrial system into an area of high concern for all Australians. I want to debate that area. If the Government can convince both Houses of Parliament, action will be taken. If the Government cannot convince the Opposition about this matter, no action will take place.

Our concern is that we are approaching the eleventh hour.

Mr Troy: It is about the 23rd hour for the rural sector.

Mr TRENORDEN: I will not argue about that. That is the reason why we should approach the question with a non-confrontationist attitude. We should tell certain people that we should agree on progress because progress will only be made if certain people want it, not because people are forced to enter the system.

Training has been successful in some areas, and I will pick on Alcoa because that organisation gave us some time a few weeks ago. We looked at the organisation; it is very impressive.

Mr Troy: The member does not have to convince me. If every industry was doing what that organisation is doing, we would not need a Bill such as this.

Mr TRENORDEN: Exactly. Many members will not have seen the Alcoa set-up. The employees of Alcoa receive 19 days of training; the training bill of that organisation is around \$15 million. Why is this training undertaken? Because it makes money. The work force is happy and contented; it is multiskilled and can move across occupations. Everyone is working in unison; the system works and productivity is achieved.

Mr Kierath: It pays, instead of costs.

Mr TRENORDEN: I have no argument with that. Incentive is present on both sides of the equation. Within the equation we have the normal factors of any market; that is, the customers and the service. In this case, the customers are the employers and the employees, and they both use skills training. On the other hand, we have the skills providers who need to be able to meet the demands of the first two. However, certain factors have been placed in the Bill: The TLC represents around one third of the employees in the State and the Confederation of Industry represents a very small percentage of the employers. We have difficulties with that.

I will move on quickly, Mr Deputy Speaker, because I do not wish to cover the same ground as other speakers. A deliberate action in this Bill is to cement in the TLC and the Confederation of Industry. Why should the TLC have total control over 100 per cent of employees when it represents only one third of them? The TLC no doubt is very keen to be cemented into the legislation because it will receive power in a declining market. The TLC membership numbers are rapidly dropping off because, like many other organisations in the

system, it is not delivering to members what the members want. The TLC is declining in power.

The Bill applies to 100 per cent of employees the attitude of the TLC. That is not acceptable, not only because it perpetuates a system which we should eliminate but also, as the Minister said, because it is very late in the day; we need to be successful the first time we try the legislation. The legislation must be driven by employees and employers who require it and, on the other side of the ledger, by the suppliers of skills education. Everyone else is a bit player in the equation and it is important we do not add too many people to that equation. If the system is to work it must be built on trust and the easiest way to do that is to reduce the number of players in it. In other words, if two parties instead of six parties were involved there would be a better chance of their developing a trust between one another in order that they can work to the advantage of both parties. If there are too many fringe players the system will not work, and we are involving too many fringe players. For that reason the legislation will not work.

The system should be built on incentives. The big stick method has been part of the Australian industrial relations scene for a long time and it has been proved that it does not work. Why are we setting up a piece of legislation which is built on the big stick method? One thing that really worries the National Party is that it is told this House needs to accept this legislation because the Commonwealth Government's tanks are lined up at the border and if we do not do the right thing, what occurred in Czechoslovakia many years ago will occur here and the tanks will come across the border and the State will be defeated.

Mr Kierath: Wouldn't you say it is a bit like blackmail?

Mr TRENORDEN: It is, and I advise the Government to take notice of what the Federal Government is doing. What is needed above all else is for this State to secede, for economic reasons, from the Commonwealth of Australia.

Several members interjected.

Mr TRENORDEN: Members opposite can make all the noise they like, but it is something which should be considered.

Several members interjected.

The SPEAKER: Order!

Mr TRENORDEN: The Federal Government has said the States have been given powers in the way of dollars and that Government is meant to give that money back to the States. We are getting back that money, not with strings attached but with steel ropes attached to it, and the only way we will cut those ropes is to tell the Commonwealth Government that we will not accept its attitude and at some stage this State will secede from the Commonwealth if New South Wales and Victoria continue to absorb our dollars.

Mr Donovan: I cannot work out whether you are a secessionist or a confederate.

Mr TRENORDEN: I am a secessionist. Two States in this nation cannot balance their budgets and I refer to New South Wales and Victoria.

Dr Gallop: That is rubbish. Have you seen Tasmania's budget? It is absolutely bankrupt.

Several members interjected.

Mr Court: What about Western Australia?

Dr Gallop: We are not bankrupt because we manage the State's finances well.

The SPEAKER: Order!

Mr TRENORDEN: A statistic given in the weekend Press said that Queensland, Western Australia and South Australia collectively have debts totalling \$20 billion and that New South Wales and Victoria collectively have debts totalling more than \$50 billion. Which States are carrying their weight in terms of this nation? New South Wales and Victoria certainly are not. Mr Deputy Speaker, that is not the point of the Bill before the House and I will now return to it.

The Minister, when he replies to this debate, should address himself to several industrial relations problems with which the Opposition is concerned. The National Party is concerned

that skill providers have been not included in the legislation. We have already seen what State departments can do when they become upset. The best way to make everyone happy is to include everyone. It was a famous American general who said something about having his adviser inside the tent instead of outside it.

Mr Troy: You could finish up with an authority of 5 000 people.

Mr TRENORDEN: If they are on side and are working with the Government they have a positive attitude. If conditions are imposed on them there is a risk they may rebel.

Mr Troy: There is significant capacity for them to be involved in the working parties associated with the Skills Standards and Accreditation Board.

Mr TRENORDEN: Does the Minister concede that if Government departments feel they are not getting a fair share they are difficult to handle?

Mr Troy: That is the reason that the whole process of SESDA is moving for a wider representation.

Mr TRENORDEN: The Minister can address himself to that point later.

Skills formation in this State should be about everyone in the system pulling together. The focus should be on skills formation, not on side issues, because that is all this State can afford. It does not have time for mistakes and this legislation has to be right the first time. It means that the authority should be a facilitator to encourage people in the system to do the right thing, for example, moving towards the formation of industry training councils.

The National Party will seek to amend the legislation by including some involvement with small business. We are constantly told that small business provides 70 per cent of employment in this State so it is difficult to understand why small business is not included in this legislation. It is essential that employers have strong representation, but there is a difference in the make-up between big and small business and the Minister understands it only too well. The difficulty is that the Trades and Labor Council says that business is business and that is one side of the ledger and it is on the other side, but I am not interested in that type of industrial argument. We need a formula which delivers skills to industry and much of our industry is small business.

Mr Troy: You are assuming they are excluded and they are not.

Mr TRENORDEN: We want them included in such a way that there is no argument that they are not included.

Mr Troy: Do you want specific nomination of them?

Mr TRENORDEN: Yes.

Mr Troy: It raises demands from a host of other areas which could seek specific nomination. I do not see small business as necessarily being excluded in the current form.

Mr TRENORDEN: The National Party wants to make sure that "employers" does not mean only the large groups such as the Confederation of WA Industry and the Chamber of Commerce which are powerful groups.

Mr Troy: In other words I have to use a set of words as I have for the TLC in terms of non-affiliated unions, but when the employer groups make nominations to me they take account of the small business sector. I would suffer no discomfort in doing that.

Mr TRENORDEN: I am pleased to hear the Minister would not and I would be surprised if he did. That is one of the complaints of the National Party. Problems are apparent in regard to the equal opportunity requirements within the Bill and the National Party believes this is a matter of policy and policy should be delivered by the Government.

The Minister should give directions about equal opportunity being applied to SESDA. We have no problem with equal opportunity being applied to SESDA, but because of the way it is written into the Bill if it is the Government's desire to apply that direction it applies to SESDA for the time the Government is in office. Other Governments can alter the policy, if it is in their interests to do so. I suggest to the Minister that any Government, whatever its political colour, that does not take notice of equal opportunity legislation will not be in Government for long. I do not see that the Government needs to write the equal opportunity aspect into the legislation, which it has done. I know the Minister is concerned about

training in the work force as a priority, and the Opposition shares that concern; in fact, the member who spoke prior to me went out of her way to point out that the Liberal Party has high concern about skills in the work force. Our concern is that we need to do this well the first time.

The Minister has had a tussle with concerned groups for six months or more while dealing with a wide range of interests. Unfortunately, as far as we are concerned, not all of those interests have been met.

Mr Troy: Does the member think he could meet them?

Mr TRENORDEN: That is one of the problems. The Minister has a political decision to make, and so does the Liberal Party. I am pleased that we are not here fighting across the table because we must reach a consensus on this point at the end of the day, there is no doubt about that.

Mr Troy: Yes.

Mr TRENORDEN: The question is which set of parameters of the game is real? We are being told by a section of industry that it does not matter that the Commonwealth is rolling its tanks up on the border; they can roll across and it will not make any difference to us. If the matter goes to arbitration both sides will argue before a judge and there will be a result.

Mr Troy: That is the Industrial Commission side of the matter, but what about issues such as the national training board and distribution of things from the Australian training guarantee? I see them as more significant than the first matter the member raised. However, not many people in Western Australia, least of all employers, have recognised that.

Mr TRENORDEN: The point is that we have a neat, tight system and not a fragmented one; is that the point the Minister is trying to make?

Mr Troy: Yes.

Mr TRENORDEN: That is what we must try to do. At the end of the day the Minister has produced a Bill which imposes authority from the top down.

Mr Troy: No, it does not. I disagree entirely with that statement.

Mr TRENORDEN: Our perception is that the Bill imposes authority from the top down. The Liberal Party has brought forward a number of amendments which seek to make the legislation industry driven. Between the debate in this place and the debate in the other place we need to reach a position for the good of Western Australia and Australia as a whole. We can do all the political posturing we like, as the Minister has said, and as speakers before me and no doubt those after me will say. However, it is getting too late to play the political game; we need to ensure that the legislation is right. Our prime concern is the fact that we are building into this legislation some healthy industrial relations plans.

We had a meeting with the TLC today and another with the mining council. We can see both points of view, but we cannot see them meeting the problem for the Minister or for the Liberal Party. At the end of this debate we need to make them meet. We will be interested to hear the Minister's point of view, particularly during the Committee stage of the Bill, and I hope we can develop something and that ground will be given and met by both sides so that we reach a workable conclusion.

MR KIERATH (Riverton) [9.05 pm]: I will focus on three areas with my comments. First, I will address the general training principles. Secondly, I will give a general overview of the legislation. Thirdly, I will comment on the Minister's second reading speech.

I turn my attention to the basic training principles. I am glad that one of my colleagues mentioned earlier that we on this side of the House support the general principle of training. I think it is fair to say that most people in industry share a similar view. We then come to how one delivers that training component and the structure that is set in place. I believe that the SESDA legislation should reflect the following principles: First, skills training should increase the productivity and competitiveness of industry; in other words, it should make industry more competitive. It should increase productivity, and that is what skills training should be about and focus on. Skills training should also be cost efficient at the enterprise level as that is most important. Skills training should be the joint responsibility of employers and employees. I think that sometimes in the training debate we tend to not focus on the

benefit to employees which comes, if you like, from them increasing their skills. We tend to say that skills training should be imposed down the line rather than encouraging employees to become involved in skills training. Skills training should be responsive to enterprise productivity needs.

I contend that the SESDA legislation should not only be consistent with these principles but also should develop a framework in response to changing enterprise level needs and should entail a minimum of Government legislation to facilitate the removal of structural impediments to productivity. I will cover that matter in more detail later. It should foster long-term training strategies consistent with industry's needs and provide a certification mechanism to allow mobility of employees and provide employers with an accepted measure of quality. I believe those principles, which are all of a somewhat general nature, are important when discussing training components.

I turn now to the SESDA legislation before us to which we have indicated opposition to two main principles in the past. I will reiterate them so that we know where we stand. First, the entrenchment of the tripartite process in decision making. This would give deliberate control to unions and the Government. We are not against advice from a tripartite body, but control is another matter. All training should be independently driven rather than being imposed from the top down. Training in industry should reflect industry's needs rather than the Government's policy.

When we look at an overview of this legislation it is important to focus on its general thrust. The State Employment and Skills Development Authority will deliver training directly to the union movement under the current structure. We know that the tripartite approach involves a combination of unions, Government and employers. Let us look at two of those three parties. The unions provide their delegates through the Trades and Labor Council. That provides no problem. Currently, it also happens to provide most of the members of this Government through the preselection process. I notice the member for Peel, who I thought had disappeared, is at the back of the Chamber.

Mr Troy: It would not be most of them. I think the member is inaccurate about that.

Mr KIERATH: Who has predominance on the electorate council?

Mr Troy: They certainly have a considerable number.

Mr KIERATH: That is correct. The unions deliver two of the three players in the tripartite process. How on earth can one gain an independent view when that happens? The Minister may think that is a clever move, but other people can see beyond the facade he puts forward. That is what the tripartite process involves under the current set-up; two of the three players come from the same source. It would be different if we were in Government.

Mr Troy: SESDA is trying to get cooperation from all three. We have two, so how about the member speaking for the other one?

Mr KIERATH: Now the real story is coming out. I am pointing out that under the tripartite system the Minister has put forward he is engineering control of that process.

Mr Troy: How?

Mr KIERATH: Because two of the players are controlled by the same foundation.

Mr Troy: Have you looked at the voting system? I suggest that you go off and do your homework, and you would not talk like that.

Mr KIERATH: I will come back to that in a moment, because I will give the Minister the comments of one of the key players in this game, who has said that if he does not get his own way he will take his bat and ball and go home.

The concern which members on this side have about the tripartite process is that it will not be just a matter of allowing the various interested parties to have a say but of delivering control to certain parties. The tripartite council is to determine training and the accreditation of courses. That is very important because this Bill will deliver control of the training agenda to a particular group of people in our society. I would have thought that were the Government trying to legitimise training, it would have gone out of its way to do the exact opposite - to ensure that there was general consensus.

Mr Troy: Who is opposed to this system?

Mr KIERATH: I am giving the Minister my views.

Mr Troy: So you do not represent any constituency?

Mr KIERATH: I represent my party, and if the Minister does not like some of the points I have made he cannot blame me.

Mr Troy: Whom do you represent, because I asked your previous speaker about this and -

Mr KIERATH: Does the Minister dispute that training should be industry driven; it should come from the bottom up, not from the top down?

Mr Troy: That is what it does in this Bill.

Mr Marlborough: You are a legend in your own brain cells. You have no ability. Let me tell you a story about the member for Riverton. When he was, for three years, the President of the Master Cleaners Association, he set the relationships between the Master Cleaners Association and the -

Mr KIERATH: The only consolation is that I have one or two more brain cells than the member for Peel. When the member for Peel was working at Cliffs Robe River they said he had never done a hard day's work in his life. That is the man who is sitting there and interjecting. He can have his say later, if he is capable. We have never heard anything from him, except for his maiden speech.

Mr MacKinnon: We are not likely to.

Mr KIERATH: No. Members opposite are not game to give the member for Peel control or to let him participate in a debate, and I do not blame them.

The ACTING SPEAKER (Mr Donovan): Order! The member for Peel is very interesting and entertaining, but he does not have the floor. The member for Riverton.

Mr KIERATH: Training should be focused on the needs of industry. It should not be imposed by the unions. One of the problems we face is that the union movement is sending its dead wood into this House. I have been told that the way the unions get rid of such people is to promote them to Parliament. They create a career structure for some of the younger members of the union movement. We do not have that problem.

Over the years a bureaucracy has been established in technical and further education, to the extent that some of the people involved in TAFE have said that TAFE has lost touch and has become less industry-driven.

Mr Troy: What does this Bill do for TAFE?

Mr KIERATH: I am outlining the principles. The Minister is getting close to the heart of the matter there because, if he acknowledges that, he should acknowledge also that our proposed amendments are designed to deliver control back to the bottom of the tier, not to the top. So can we count on the Minister's support?

Mr Troy: That principle is already inherent in the Bill.

Mr KIERATH: We do not agree, and we will debate that with the Minister when we go through some of the clauses of the Bill. I imagine from what the Minister has now said that he will support anything that will increase the ability of the process to be more industry-driven.

Mr Troy: Have you read the second reading speech?

Mr KIERATH: I waded through it.

Mr Troy: I made specific reference to it.

Mr KIERATH: It is one thing to look at what is said in the second reading speech and quite another to look at the details of the Bill, which provide for something that is very different. Some people have said that as TAFE has become more bureaucratic it has become slower to respond to the needs of industry.

The State Employment and Skills Development Authority will provide all the training and all the money but, in simple terms, if one is going to deliver training and money it will be delivered only through accreditation. We are concerned about who will control the

accreditation process. We acknowledge the principles of training, and we would have no problems about that were it provided by an independent body, but we are concerned about who will control that tripartite body. It does not matter how we look at it, training will always involve a cost. Someone will have to pay, either the community, the employer or the employee. Should the community, the Government or the employer bear the cost of training?

Dr Watson: You are looking at benefits.

Mr KIERATH: Training still has a cost, and members opposite would be fooling themselves were they not to acknowledge that.

Mr Troy: Should it be any one of them?

Mr KIERATH: I will return to that later. I now come back to what one of the key players of the game said during a conference with us. He said - and these are his words, not mine - that, "Employers need to be dragged, kicking and screaming, to the training altar. They will not do anything about training until they are forced to do it." That comment was made in response to a comment about why the tripartite system could not be an advisory body, and why it had to take part in the decision-making process. He said that unless there was the ability to drag employers to the training altar, none of them would ever participate in training.

Mr Troy: That is a sad reflection on employers, is it not?

Mr KIERATH: That comment was made by a key person in the trade union movement.

Mr Troy: I have heard that said by some employers too.

Mr KIERATH: That was the attitude of a person from the Trades and Labor Council of WA, who said there was no way they would be involved on an advisory or consultative basis. They wanted to be involved in the decision making process.

Mr Troy: Most employers support the system. I am not sure where you are getting your adverse comments from.

Mr KIERATH: Some employers.

Mr Troy: Most employers.

Mr KIERATH: We will come back to that; some employers, not all.

As I said earlier, were we to accept that scenario, the TLC power brokers will be the ones who would force it because they have control. Just look at the decision they made when they inflicted on this House the member for Peel! If that is the basis of their decisions, we must be very cautious about it.

Mr Troy: How do they do that in the provisions of this Bill?

Mr KIERATH: I have pointed out that two of the three players -

Mr Troy: Two of the three players do not have control of any decision. You do not understand the Bill.

The ACTING SPEAKER: Order! Were the member for Riverton to direct his remarks to the Chair he would get some agreement from the Minister about the most expeditious way to get through his speech. I would certainly be interested to know how this Bill got the member for Peel into Parliament.

Mr KIERATH: If the member for Peel would stop interjecting and allow me to continue, I would not need to respond to him in the first place. We intend to move some amendments which will do a number of things. First, they will impose accountability on the whole structure. I am sure the Minister would not disagree with that. Secondly, they will ensure that we do not just accept words and platitudes but that the legislation will reflect that the training be industry-driven. I have expressed my concerns to the Minister previously. There is a lot of concern among the industry training bodies because they will be diluted from several hundred down to about 20 or 30 bodies, so many of them fear that their representation on the council will be diminished. I share those concerns, in the absence of seeing some sort of model or actual break-up of an IETC that we can run with.

The Minister and his advisers have been going around saying, "Trust us, we will not let you

down. There are provisions under the FAA Act regarding accountability, or there are provisions in the second reading speech that reassure you on those areas", but that is not necessarily reflected in the legislation as such, and it is important. We want to tie that down and to make sure those principles are reflected. In saying that, I must tell the Minister that we tend to agree with most of the Bill but we believe it could be tightened up and improved in a few areas to make sure it is a responsive instrument.

I turn now to the Minister's second reading speech. I have heard a few other members quote examples from West Germany, and it is rather interesting to look at the West German example because people tend to overlook the fact that their training wage is in the order of 50 per cent of adult wages. We do not have many around that level - most of our minimums start at 70 per cent and many people say that is one of the reasons training has gone off the employers' agenda and back to the community. Although I do not want to float that argument here, the Minister must acknowledge it because it is fundamental: It was being paid by the employer, but when that cost is raised the natural progression is for that cost to be shifted off the employer and onto the general community.

Some people have asked why the mining industry has responded to the training position. It has had to respond because it has been placed in an unusual situation. Unlike many service industries in this country, it must sell its product to an external market and is faced with the rigidities of our industrial relations system. That puts the mining industry in a situation almost of being squeezed from both sides. It is at least industry driven - it has had to strive to increase productivity not because of some fancy scheme or idea but because of the mother of invention - necessity. That is what has driven the industry to improve its training, and we should support and encourage that rather than oppose it.

Mr Troy: We are not discouraging it in any part of the Bill.

Mr KIERATH: I told the Minister during my comments on the Bill overall that I would touch on certain areas with which we have concern.

Mr Troy: I would appreciate your qualifying that.

Mr KIERATH: I must pay the Minister a compliment; he has a far more conciliatory attitude now than he had late last year when the Bill was brought to the House in the early hours of the morning. There is a bouquet for him.

During this debate we have spoken about skills and have related them to increases in productivity. The whole debate centres around skills and how they can improve things, but, if we consider that, we are missing the most basic restriction to productivity in this country; that is, restrictive work practices. That is the key. We can train people and give them all the skills we like, but unless we do away with restrictive work practices we will not make any structural changes to the system to allow it to become more flexible and increase its productivity. That is a concern. When we focus on skills we tend to focus on a very small area and not on the underlying fundamentals of the system which really do restrict increases in productivity.

Mr Troy: But doesn't this training option really give you the ability to multi-skill, which breaks down those old, rigid ways? I think you misunderstand.

Mr KIERATH: I do not believe I misunderstand at all. I would sum it up in this way: It is like treating the symptoms of a disease - we will never cure the disease unless we treat the cause. If the Minister wants to increase skills and productivity he must address the fundamental cause, which is restrictive work practices.

Mr Troy: You restructure them and then train them if you agree to doing that. Somehow I cannot understand your logic processes.

Mr KIERATH: If we look at the area of demarcation disputes, many of those issues actually prevent multi-skilling. One of the problems of multi-skilling is the very issue of coverage of workers by different unions. That must be addressed, not just by coming up with a fancy system that will coordinate training but by addressing the fundamental causes. In the Minister's second reading speech he mentioned the magic figure of 70 000 people who need retraining. I suggest the best way to do that is to ensure that it is industry driven and to put emphasis and support on that.

I turn now to the training levy and ask why there is a difference in emphasis in this

legislation. In the Bill a couple of areas will need to be addressed to prevent training being imposed from the top down. It should be industry driven; in other words, it should be consumer friendly, if you like, for the people who are going to use that training, and it should not be imposed from the top. The training levy imposed by the Federal Government is another socialist solution to a problem. The Federal Government's solution is to try to impose it on everybody by striking a levy, or a Commonwealth payroll tax, instead of going the other way and encouraging people to undertake more training, and doing more to support and encourage training rather than impose it.

I gave the Minister a bouquet when I mentioned the consultation last year, and I am pleased to see that he has consulted many of the groups which will be affected by the Bill. Much of that opposition has dissipated somewhat.

Mr Troy: There are only three isolated groups.

Mr KIERATH: I think the Minister is wrong.

Mr Troy: You are not game to name them.

Mr KIERATH: A couple of groups are prepared to stand up and be counted, but many other people have had reassurance from the Minister and have immediately contacted us and said, "We have had reassurance from the Minister but we are not really sure. What are you going to do about safeguarding our interests?" So the Minister is wrong again if he underestimates it and thinks only three or four groups are unsure. It goes much wider than that.

Mr Troy: You can stand over there and make those claims if you like, but there is only one way to be sure. You substantiate your list and I will substantiate mine.

Mr KIERATH: Turning to the construction of the Bill, we have some problems with the constitution of the authority, as the member for Avon pointed out. We do not believe it should be tied down to individuals and during the Committee stage the discussion will become a little interesting. Where the Minister nominates a position in an organisation, what happens if, later on, a person in that organisation decides he does not want to go on that board? It seems to me a funny way of entrenching in legislation a position in an organisation. The amendments we will move will allow the Minister that flexibility but will not be so restrictive - it will not tie him down to a narrow area. That is most important, and the amendments we propose will actually increase the emphasis on the skills provided and will build up the skills component of that system rather than getting down to a purely industrial sense of having that tripartite council.

Some of the amendments we propose will improve accountability. When the authority allocates resources for skills, for example, it should give its reasons and be accountable for them. It should give reasons for any directions that it gives, and if it delegates any of its authority or functions it should also give reasons for doing so.

Mr Troy: Have you read the FAA Act?

Mr KIERATH: I have not read all of it but I have read parts of it.

Mr Troy: You have not read the bit that counts.

Mr KIERATH: That is the argument that is thrown up all the time. Has the Minister read the Auditor General's report?

Mr Troy: Yes.

Mr KIERATH: What did the Auditor General say? There are many instances. One area under the Minister's control was one of the worst offenders of all according to the Auditor General's report.

This was deliberate deceit, and that was one of the results of the report. What reason does the Minister have for opposing more accountable provisions? If he has nothing to hide he would have nothing to fear from provisions which make him more accountable.

I have commented on the industry employment and training councils, and on the employers, employees and skills providers. What will happen if an IETC wants to do something which is in conflict with the State Employment and Skills Development Authority? Do councils run the risk of having their registrations cancelled? If that is to be the case, accountability provisions should be placed in the Bill for written notice of and the reasons for any decision.

Mr Troy: That is covered by the amendments; it is already covered in the Bill. The member has picked up the old Bill.

Mr KIERATH: No, I have not. If the Minister is comfortable with that principle he will have no trouble with our amendments.

In summing up, our three areas of concern are the accountability provisions, less tripartite involvement, and more skills. Training should take place within industry and the IETCs should have control. A tripartite system should include consultation; we have no problem with that. The Minister and the authority should make the decision; decisions should not be made through a tripartite system or a council's control. Advice should be given but ultimately the decision should be made by the Minister. If the Minister is to be accountable he should be prepared to give the reasons for any decision.

Mr Troy: The member does not want the industry to drive the system?

Mr KIERATH: Of course, I do. Most of our amendments do the opposite.

Mr Troy: You are asking the Minister to drive it.

Mr KIERATH: No. I am talking about decision-making at the top. We can call in the Minister and ask him questions.

Mr Troy: You still can.

Mr KIERATH: Yes, but it is delayed. As we have seen with other matters, cover-ups could occur along the way. If the Minister has nothing to hide he need not fear being accountable.

Mr Troy: Absolutely not. The authority reports to Parliament each year; that provision is contained in the Bill.

Mr KIERATH: If the Minister wishes to address the productivity problem he should address restrictive work practices. This Bill does not do that. The unions have played a major role in this area; it is ironic that they have a major role in training practices. About 100 years ago most commentators would say we had a progressive industrial relations system. The problem is that the mentality of some of the players has not moved with the times in relation to flexibility.

Mr Troy: Where have you been since about 1982, asleep?

Mr KIERATH: No. Where has the Minister been since that time? Probably in this place.

The Bill focuses on skills; we support that. The sad point is that it does not focus on constructive matters such as restrictive work practices. We will support the Bill if certain provisions are placed in it relating to improved accountability, and improving industry control and other provisions that would remove or at least water down the tripartite decision-making role of SESDA. Apart from those provisions, the need is for training in this State. We support the general thrust of the Bill and we believe the time has come for a coordinating body in the training area. It is important that we learn from the mistakes of the past; if we can do that we should ensure that the organisation is industry driven and not driven from the top.

MR RIPPER (Belmont) [9.34 pm]: This debate needs to be set in the economic context applying to Australia. The urgent need in this country is for continuing economic change. In recent debate I have had occasion to mention my view that our current account deficit this year will reach \$20 billion. That is not a situation which can continue. Australia urgently needs to become more competitive and more productive on an international basis, otherwise we will continue to live on the savings of foreigners and it will be the savings of foreigners which sustain our living standards. Eventually, if we do not make the necessary changes, foreigners will become unwilling to donate their savings to the maintenance of our living standards and we will suffer the consequences.

If the people of Australia want to maintain their first world living standards we will have to move away from the situation where Australia's basket of exports is very similar to that of third world countries. We need to continue to compete in our traditional areas of advantage as well as competing in new areas. If we are to continue to compete in traditional areas of advantage, if we are to begin competing in new industrial areas, we will require substantially increased investment from the business sector, both in modern technology and in the skills of our people, together with training of people to produce those skills.

One of the problems which Australia experiences relates to its investment culture. The focus is too much on the short term and not enough on investment for long term profit. Too much focus is placed on paper shuffling and not enough on productive investments. Of course, insufficient commitment is made to investment in training to increase the skills of the population. Considering our advantages in this region, clearly one of our economic advantages is our education system. Indeed, it is an education system which attracts customers from all over the region. That is a very solid basis on which we can build as we develop our economy because it provides a solid basis for the development of the skills of our population.

Unfortunately, our education system, which is evidently the envy of the region, is not matched by a training system which has an equally good reputation. If we wanted to develop the skills of our people to meet these economic challenges we would give our training system the same sort of enviable reputation as has the education system. That calls for a commitment from all sectors of the community - from both sides of industry and from the Government. Such a commitment is needed if we are to meet the levels of international productivity which we need immediately; that commitment will also be needed if in future we are to meet changed standards. One of the features of working life in the future will be the constant pressure for change, a constant need for retraining and for people to learn new skills. If we do not put in place a training system to accommodate those needs, we will pay the price in reduced living standards.

To develop the required training system, the commitment of the whole community is needed. In particular, the commitment, consent and cooperation of the work force is needed. It is practically impossible to operate a successful training system if we do not receive the wholehearted commitment and cooperation of the work force. It is impossible to operate a successful training system if we do not take advantage of the knowledge which has been built up over many years within the work force and within the organised labour movement. The organised labour movement has a long history of commitment and interest in training and much knowledge has been accumulated over those years. If we do not take advantage of that we will not get the best training system we can have in this country.

I turn now to the strengths of the Bill. One of the great strengths is the way in which it seeks to draw all sectors of the community, in particular both sides of industry, into a consensus procedure to determine training policy. One of the strengths of the Bill is the ownership of retraining policy which it gives to both sides of industry. That is a very important feature because if both sides of industry own the training policy we can expect a commitment from both sides of industry to training.

One of the strengths of the Bill is the tripartite control, which is the feature complained about by the Opposition, and I will come to the matter of tripartite control in a moment. I want briefly to touch on two other strengths I see in the Bill before the House. Firstly, the Bill rationalises a very haphazard and ad hoc system through which industry advises the major training providers. Secondly, the Bill provides a mechanism which accredits the training which workers receive from a variety of sources. It provides a mechanism which rewards workers for training they undertake and provides them with a measure of portability for their skills.

What we have now is a training bureaucracy which is advised in a haphazard and ad hoc way by industry and industry has no determining influence in it. A tripartite system is proposed which will deliver to both sides of industry a determining role in policies adopted by the major labour market service providers and trainers in this State. We will move from a system of a training bureaucracy which has developed its own momentum to a system in which training will be driven by the policy input from both sides of industry.

It is very important that the historic role of the trade union movement is recognised in the control mechanisms. I am disappointed there has been opposition from members opposite to nominees from the trade union movement serving on the State Employment and Skills Development Authority. The trade union movement has an historical role in training policy which is best exemplified in the attention which the craft unions have given to this issue. The trade union movement has been leading the debate in award restructuring and has been a leader in debate on industry policy.

We have heard a great deal in this House about the concept of accountability and it is

interesting to apply that concept to the proposed structure of SESDA. On the one hand we have a Government proposal which is that the employers' side and the trade union side nominate representatives, and on the other hand we have the Opposition proposal that people be appointed by the Minister, but not as representatives of any particular body. In other words, if the Opposition proposal is adopted the employer and employee representatives on SESDA will not be accountable to any organisation and there would be a deterioration in the important principle of giving ownership of training policy to both sides of industry.

One member referred to the problem of people going into SESDA with preconceived ideas and preconceived notions of conflict. I think he was referring to the danger of industrial conflict being imported into the deliberations of SESDA. What is more important is that those people will go in with pre-existing relationships with other organisations and people. They will be accountable to those organisations and people who will have some ownership of and commitment to training policy. If we do not have that ownership and commitment we cannot expect our training system to meet the challenges facing it.

It appears the conservative parties still have trouble accepting the legitimacy of the trade union movement and the legitimacy of its involvement in this sort of policy making. That is a matter of some disappointment to me because it is an example of the attitudes which we need to overcome. Both sides of industry need to work together to meet the challenges which confront this country. If we continue to argue about these matters and if we cannot work together we will pay the penalty of reduced living standards and increased social conflict. I do not know why the conservative parties are concerned about SESDA and the involvement in it of the trade union movement in a tripartite manner because the legislation definitely sets out a requirement for the various decision making bodies to make every attempt to reach consensus on any matter. Specific legislative requirements for parties to reach consensus are set out in the legislation. If consensus cannot be reached the voting procedures further protect the interests of all sides by requiring at least a 50 per cent vote from each set of representatives. We cannot have a situation as the member for Riverton suggested where two sides gang up against the third side. The third party has to produce a 50 per cent vote otherwise no decision can be reached. One may say there is one problem with that arrangement; that is, if a situation of intense conflict is reached no action may be taken. Effectively, each of the tripartite parties has a veto and that is a powerful incentive to consensus because nothing will be done unless all three parties agree.

Perhaps Opposition parties are jumping at shadows and are reflecting their traditional doubts about and suspicion of the trade union movement. If members look at the procedures set out in the Bill they will see that the difficulties to which Opposition members have referred are most unlikely to occur. If one considers the challenges facing this country it would be a tragedy if those difficulties did occur.

Opposition parties should be encouraging both sides of industry to cooperate in this process because if they give any encouragement to those people who seek to fan petty argument and petty divisions in the development of training policy and if they seek to encourage organisations which want to exclude others it will be to the ultimate detriment of this State and this country. If we can work together on these matters we will reap the rewards of an improved quality of working life and improved competitiveness and productivity. The best reward of all so far as the community is concerned is the opportunity to maintain our living standards both in terms of the disposable income of individuals and households and in the services the Government can offer. If we do not accept the challenges in the training area to make industry more competitive and productive we will be in for a dismal future in terms of our living standards and the provision of Government services.

I conclude my remarks by commending the Minister for Productivity and Labour Relations for his painstaking negotiations on this Bill. A great effort has been made to secure consensus and wide community support. It has been a long and difficult task and I commend the Minister for the effort he has given to this legislation and for the way in which he has sought to involve both sides of industry in support of this important project which is vital for the future of this country and this State.

DR WATSON (Kenwick) [9.49 pm]: I add my congratulations to those of the member for Belmont to the Minister for Productivity and Labour Relations because he has worked in a very committed way to bring this Bill before the House. I also congratulate all those who

have contributed so far to this debate, especially the member for Belmont who has given the House a most reasoned analysis and summary of the intentions and the long term goals of the structure. The aim of this Bill is to provide some sort of mechanism whereby we can achieve a goal which will see this State grow economically through increasing investment and, in turn, increasing productivity at workplace, enterprise and industry level.

The issue is one of social justice where, through increased training and the development of skills, there will be more equality of opportunity in the workplace for a number of categories of people who are now disadvantaged in the labour market. I am speaking about women, Aborigines, people from non-English speaking backgrounds, long-term unemployed people, disabled people and a whole range of people who can be advantaged through skills training at the level for which they are best fitted and at the level at which that enterprise needs them. The industry employment and training councils will create a bottom-up approach with tripartite decision making and tripartite ownership. I do not want to particularly canvass the structure or goals of SESDA, but I shall focus my few words on the way in which a particular category of workers - I refer to women - could perhaps have their opportunities increased.

I remind members in this House that in 1966 women comprised 29 per cent of the labour force. By 1987 they comprised 49 per cent and that percentage is now well over 50 per cent. However, many of those women are in part-time work and their conditions of employment, including the conditions for recruitment, unfortunately are not the same as for full-time work. Women are particularly disadvantaged by the way in which their gender fits them for work. Australia has the highest proportion of occupational segregation by gender of any other country in the OECD, and in Western Australia 74 per cent of women are employed in sales, service, clerical or factory work. The two professions that women traditionally enter are still teaching and nursing. In 1988 the Federal Government published the results of three years of Federal consultations with women in a booklet released by the Prime Minister's department entitled "A Say, A Choice, A Fair Go". One of the sections in that booklet examined the way that paid work affects women's ability to live independent, satisfying and economically productive lives. Women predominate not only in those areas where gender determines the job, but also in areas with limited or no award coverage. In his second reading speech the Minister pointed out that in Western Australia more than 700 awards are in situ. It is very important to understand that those workers in the lowest paid, most menial jobs are likely to be those who will personally benefit most from structures such as SESDA, but also their industries will benefit from the multiskilling accorded them.

Aboriginal women and non-English speaking women are doubly disadvantaged. Aboriginal women have very little participation in the paid work force and, again, their disabilities are compounded because they live largely in rural and remote areas. Non-English speaking women, besides being in unskilled or non-accredited work - one must be careful when talking about skills because although they do their work very well, they have no paper to cart with them from job to job - very often work in appalling conditions. Some outrage has been expressed in recent reports, for instance, relating to outwork.

In theory equal pay has been in place for many years, but women still earn substantially less than men because their child-bearing and child-rearing capacities and responsibilities still determine the major factor - whether they can continue in or rejoin the work force.

I was interested to read a report the other day of a study recently published by a demographer, Dr Christabel Young, who said that older women are facing the disadvantage of their usually older husbands retiring ahead of them and expecting them to leave work when they leave work and to go into retirement at the same time. I digress a little, but it indicates to the House that right throughout their paid working lives women are disadvantaged, not only because of the paid work they do but also because of their child rearing and other family responsibilities.

Another area in which women are disadvantaged in the paid work force - and this was brought out in the national agenda - is in their inadequate representation in jobs where decisions and policies are made. Women are not adequately represented on committees and in administrative and managerial positions. Skills formation does not start in the workplace, it starts at school. While, again, it is perhaps not appropriate to point to this factor in this debate, we cannot escape the fact that one of the reasons for such occupational segregation in the Australian work force is that girls are not doing those courses at school which will fit

them for a wider range of occupations. In particular girls become disadvantaged women because they do not study science and maths at school in preparation for the type of jobs which need an understanding of increased technology.

Mr Kierath: Some do not want to.

Dr WATSON: I have involved myself in that area through my constituency, and I think we have a long way to go in talking to parents about the kinds of courses girls choose.

A number of IETCs will be established in those jobs and industries in which women predominate. For instance, the four that have already been signalled are in administration, clerical and finance, hospitality and tourism, health - where almost 80 per cent of the work is done by women, and arts and design. It is tremendously important to recognise that we need case studies of these female intensive industries, and we must examine how those industries can be restructured to provide the kind of employment patterns that women are able to do, and in some cases unable to do, simply because of the structure of the industry. I am thinking of the health industry where shifts determine how people are employed and how they can work.

One of the most significant problems for women participating fully and being trained fully is their dual responsibility of work and family. I was very pleased to be able to attend the other day the presentation of a cheque to Helen Creed who is now secretary of the Hospital Service and Miscellaneous Workers Union.

Mr Kierath: Which union were you involved with? Was it the same one?

Dr WATSON: I am proud to say that it was. Helen was presented with a cheque to enable her to study the needs of parents at workplaces and to study the way in which employers and industries can make provisions for child care. Members must understand that those provisions do not have to be at the workplace but they can be facilitated through the workplace. Members should also know that they do not provide just for preschool children. Parents must be comfortable that their children are cared for after school, whether it is at primary or secondary level, and perhaps cared for when they are working on night shift. The absence of these facilities now precludes women from the kinds of jobs where they can undergo training, and where they can go on to develop and indeed use their potential. One of the greatest tragedies is that even women who had scientific and technological jobs before they left the workplace to have their families are now not using their skills. People from other countries are not using their skills because their skills are not recognised or perhaps because they do not have child care. Child care is tremendously important. One of our biggest responsibilities as constituency parliamentarians is to ensure that every woman who comes into our office who is in receipt of a supporting parent's benefit knows how she can lock herself into some kind of training and child care in order to take a step towards a productive working career not just for herself but also for her children. The Americans and the Swedes have led the way in this area.

As constituency parliamentarians we must also be committed to increasing women's participation in the decision-making process. What better advertisement could there be than Western Australia having the first woman Premier in Australia, who is supported by a team of nine other women? That is a great role model for every member, be they man or woman, certainly on this side of the House and, I would suspect, on the other side; positive comments have been made about the way in which Carmen Lawrence can act as a role model for girls and women and enable them to achieve the sorts of things of which women are capable.

In referring to the Commonwealth strategy for women I set out some of the issues that have been objectives for the year 2000 for women right around Australia and the State Employment and Skills Development Authority will play a critical role in achieving those objectives. First, the earnings gap between men and women needs to be reduced. That has a lot of implications because it is not simply a matter of equal work and equal pay but a matter of the hours that women can work and of the training that is available. It is also a matter of accessibility to overtime and to weekend work. Secondly, we need to be able to facilitate that combination of work and family responsibilities for all parents, not just for women but also for men. We need to encourage and nurture the pride that they must have in their role and function as parents. Thirdly, I see SESDA playing a tremendous role in reducing the level of occupational segregation. It is a shame that Australia, as a member of the

Organisation for Economic Cooperation and Development, has a marked segregation of its work force by gender. I take pride in going to high schools and talking to girls and their mothers, and talking to women wherever I can, to point this out. Until these things are pointed out they are not seen as issues because we have lived with them. It is one of our responsibilities as parliamentarians to bring this matter to the attention of people.

Fourthly, there is a role for SESDA to facilitate the upgrading and increasing of women's skills by training other than initial training. That means that someone who has trained as a nurse in 1965 can have access to some post-basic or postgraduate training in the same way that someone who has been a clerk in the past and is coming back into the work force after 10 years can do some upgrading on wordprocessing equipment and in office skills management in order to increase her opportunity to re-enter the work force. Finally, and most importantly, we must increase the representation and participation of women in decision making, in policy making processes and in labour relations in the workplace. There will be opportunities for women at the industry employment and training council and SESDA levels to be accredited for that kind of participation. It can be done only if they are trained to do something and they have access to that training.

I have great hopes for this Bill. I think the Opposition has really indicated its support but has some reservations about the Bill which are born out of its conservative ideology. However, in the end I know that the Opposition will reap the benefits as well as every person who will be subject to that training, no matter whether they are a work force participant or an industry leader.

MR NICHOLLS (Mandurah) [10.08 pm]: I have listened to the debate with some interest. I even listened to the last speaker, the member for Kenwick, because it is important that in debating a Bill of this kind all views are put forward in this forum. Not only should we listen to those views but we should also take them into account. Members do not necessarily have to agree with all the views but it is important to recognise if a strong socialist view or a private enterprise view is being put forward.

I intend to address the reasons I believe there is a major employment problem in this country and in particular in Western Australia. The problem really lies in the wastage of skilled workers in Australia. From the information I have read and studied it appears that most of the problems lie not only in attitudes towards gaining skills in Australia but also in the area of staying in the profession in which one gains one's skills. An article I read in *The Australian* on 30 May 1990 stated that the figures from the Federal Department of Employment and Training indicate a very depressing outlook and a depressing stage for human resources. The article stated that around 40 per cent of skilled trades people will leave their home trade five years after acquiring basic qualifications. That makes me wonder whether we are really talking about long term skills or whether we are appeasing the changing attitudes and whims of some of our work force participants. It appears that a large number of trades people, around 30 per cent, leave their trades within two years of qualifying. It does not take very much to appreciate that with such a proliferation of people moving in and out of trade areas within such a short period it will be very difficult for employers to regain the costs of training personnel.

On that basis we need to start any training debate by asking why we have such a portable work force and why people are not willing to stay in the areas of qualification for a longer time and therefore create a bigger incentive for industry to focus more clearly on training its work force. The whole training issue needs to be addressed very clearly in terms of what is the benefit to the person who is paying. We live in a capitalist society where the employer pays the employee to work. The socialist view - that everybody should be equal and that the capital should be spread around - is fine in theory but in reality it does not work.

Dr Watson: Equal opportunity.

Mr NICHOLLS: It is interesting that the member for Kenwick mentions equal opportunity. I have no qualms about allowing people who have the same ability to do the work to participate in it. However, I have a major problem if we get hooked up in emotions or in a predetermined attitude to try to project either a gender based or an ethnic based view on top of the crucial decision as to whether a person is qualified and is the best available person to apply for the job.

Dr Watson: They will be qualified through this training.

Mr NICHOLLS: That assertion is something I have trouble coming to grips with. Fundamentally I am asking why we have training in the first place. Why does Alcoa of Australia Ltd run elaborate training courses for its employees? The reason is that Alcoa wants its employees to be more productive so it can make more profit, and thereby generate more income. Alcoa does not do it because it likes young Johnny Smith and wants him to be qualified. In turn, in trying to increase its profits, Alcoa provides skills to the employees who should then benefit from having those skills and be able to work in a more productive manner.

The direction the Federal Government in particular has taken, and which I believe the State Government may follow, is wrong and I do not believe it will produce the long term skilled work force it supposedly is designed to produce. The one per cent levy which the Federal Government imposed on all businesses with a gross payroll of more than \$200 000 annually is in my view totally absurd. Not only does it target what I think is basically the wrong factor but also it will create a bureaucratic empire that will cause more problems than it will ever solve. Not only will it create that bureaucratic empire, but also it will send many small businesses to the wall, purely because small businesses do not have the capacity to pay the one per cent levy without having some direct benefit coming back to them in productivity gains so they can increase their profits. Furthermore, it is absurd to see any Government, particularly a Federal Government in this country, imposing a levy such as this on training and then refusing to make that levy tax deductible. If we are to consider the training debate in a rational and productive manner, surely we must examine training as an asset or a means to an asset. Training comes down to being not an end in itself but a means to an end, the means to the end being that it will increase productivity for the employer and will increase profit, and therefore will generate more employment for employees and hopefully will also, in turn, provide more skills for the employees. We must ensure also that training improves efficiency and productivity hand in hand. We will never reach a situation where training for the sake of training will be of any use at all to this country.

I am sorry that the member for Kenwick has left the Chamber because one of the matters she raised, and which the member for Belmont also touched on, was our living standards and why people have to have the opportunity of being trained. I believe there has been an absence of motivation for people to go out and seek training of their own accord. There has been an absence of people who are currently employed using their own abilities to seek training without their being spoon-fed. One of the problems I see with the direction in which we are heading is that employees will no longer see any need to use their own initiative to become more highly skilled. They will sit back and wait for the union or some tripartite body to deliver to them the means by which to gain further skills, and I am not sure that will provide us with a work force that is looking to use its own initiative to become better skilled, and therefore to become better employees, or that is better skilled in general terms in the long run. In my own experience, where training packages are provided in a general sense - not those specifically designed for an individual area within a commercial operation or in a specific industry, but a general training package - people become very blasé about them. One of the clear examples of this is in the area of safety training. In my previous employment, we had to have safety training meetings and courses and everyone was compelled to attend. In principle that is good; it is the right sort of thing to do because safety is very important. The only problem was that, because the employees did not do it of their own volition or incentive, I had a great deal of difficulty trying to get them to take it seriously. From the information I have received, it appears that has changed a little as more focus has been put onto safety, but it has not changed the basic attitude, which was, "If everybody is to get the training it does not really matter and we will just go through the motions." Interestingly, though, those people who had an opportunity to undertake courses that were not available to everyone seemed to take far more pleasure in, and also had a far more positive attitude to, getting the basic content from the course and putting it into practice.

Mr Troy: Are you suggesting we are moving towards applying training compulsorily to everybody as a result of this Bill?

Mr NICHOLLS: No, I am drawing a long bow.

Mr Troy: I thought you were; I am glad you have admitted it!

Mr NICHOLLS: I am suggesting that currently we have, federally, an across the board attitude that we will impose a training levy or that we must expend those dollars in a training scheme.

Mr Troy: But it is a very wide sort of arrangement as to what that training can represent. It is a very generous interpretation.

Mr NICHOLLS: Time will tell.

Mr Troy: That is not in the Bill. This is not a levy Bill.

Mr NICHOLLS: No, this Bill is about controlling the actual direction of training in Western Australia, in my view.

Mr Troy: And asking industry to play a much stronger hand.

Mr NICHOLLS: That is something I agree with, but I have my reservations about it and I will address them shortly. However, in general terms I am talking about the direction in which training is travelling at the moment. For that reason, I believe the action of the Federal Government in imposing a one per cent levy on companies with a gross payroll of over \$200 000, is not the way to go.

Mr Troy: What about places around the world that have done it very successfully? Singapore put four per cent on eight years ago and as a result every worker up to the level of a manager in Singapore has had training or retraining out of that levy. It has subsequently been reduced to one per cent.

Mr NICHOLLS: Yes, as a matter of fact it is interesting when the Minister draws comparisons -

Mr Troy: It was a compulsory training scheme, I might add.

Mr NICHOLLS: Yes, I suppose we could go around the world and pull out many different programs that have worked. Japan has a productive and streamlined training program.

Mr Troy: Certainly Germany and the Scandinavian countries.

Mr NICHOLLS: Germany is another example. If we want to become more productive and streamline our economic system, we also have to look at the reasons we are not productive. A couple of reasons that spring to mind are that we pay people more to go on holidays than we do to stay at work and we give them three months paid holidays after 10 years if they stay with us for that long. I am not saying that is wrong, but I never hear anyone addressing that issue.

Mr Troy: I am not hearing you admit that skills upgrading, multi-skilling and those things also contribute to increased productivity.

Mr NICHOLLS: There is no doubt that that is the way to go. We have to multi-skill and break down a number of the demarkation barriers. I agree also that we must up-skill many of our semi-skilled and skilled people if we are going to make them more productive. However, that has to be driven by employers providing the training so that an employee can be more productive. In general terms, I interpret SESDA as being directed largely to that area. The Minister can correct me if I am wrong: I think one of the vehicles the Government is looking at is trying to provide that training to companies and small businesses that would not be able to afford to run their own training schemes - perhaps I am reading too much into it. However, I become concerned when I get to clauses 27 or 28 of the Bill which refer to accreditation and I am concerned also about the representation on the board. Those concerns may be unfounded.

Mr Troy: Are you familiar with the present accreditation system?

Mr NICHOLLS: No.

Mr Troy: I will give you 24 hours on it because it will take you that long to understand it. This is inherently better.

Mr NICHOLLS: It is interesting that you make that comment; I do not dispute it.

Mr Troy: Everyone in industry will make the same comment.

Mr NICHOLLS: Training must be driven by an incentive for the employer to generate more profits from an employee's being more productive. Therefore, training should be more flexible and dynamic because the needs will be dynamic. I am not convinced that the tripartite board and the accreditation system will deliver that flexibility. I have a very great concern that the make-up of the board will become a power tool for the Trades and Labor Council and the unions. I am open to being convinced that will not be the case.

Mr Troy: I cannot see how you can draw that conclusion when other people will be on it. They will not have specific veto powers.

Mr NICHOLLS: I suppose if we get down to the nuts and bolts, the Bill will authorise the Minister to appoint three persons of his choice.

Mr Troy: I will appoint them all. That is one of the amendments in the Bill. They are to be nominated by other parties.

Mr NICHOLLS: Okay. I am still concerned that this provision has the capacity to create a power struggle. It definitely has the capacity to allow unions or union representatives to use it as a tool to ensure that the employer groups follow the direction they wish them to follow for the benefit of their members.

Mr Troy: If you had spoken like that last November, I could have understood your point. I do not agree with you now.

Mr NICHOLLS: I am concerned about it. I am willing for the Minister to allay my fears.

The Minister said that SESDA will not be a tool for collecting revenue and will not be associated with the levy being imposed by the Federal Government. I am concerned that there will be a flow on effect under SESDA and that industries such as the building industry will impose their own levies. I am not sure whether the Minister can give me any direction on that issue because we will have to wait and see what will happen in the future.

Mr Troy: That is up to the industry.

Mr NICHOLLS: Somebody said that to me about the BUS scheme in the building industry but I am not sure it was up to industry. It came down to might is right and that is the concern I have about centralising the power. I have no problem with supporting training. It is the means whereby we will get more skilled people in Australia. Only through that method will we achieve a more highly skilled work force. However, any training scheme that is imposed from the top down is already doomed to failure.

Mr Troy: It will not do that.

Mr NICHOLLS: It is absolutely wrong. Training schemes must be incentive driven by employers, or be imposed from the bottom up, with the employees having to be more productive to generate profits for the employers. Skills required to do the job will then be passed on to the worker and not skills that will give him another certificate to hang alongside his 30 other certificates. The SESDA legislation may provide that accreditation so that it will be recognised across the board. I do not believe that will be the case. I have to be convinced that it will generate some type of skills training that will be recognised across the board so that people can walk from employer to employer and show them that they are skilled. That is my understanding of the direction in which we should be going. We should formalise training so that it will become a qualification which accredits people for jobs.

Mr Troy: You are missing the point of wage fixation, which is that unless you can utilise the skills -

Mr NICHOLLS: We should be ensuring that if the employer wants the employee to be more productive, he trains him.

Mr Troy: Some of your colleagues reckon the individual should pay for it.

Mr NICHOLLS: I do not think that is a bad thing. I think we should allow people to use their own initiative so that they will become better skilled, better qualified and more productive, as long as we have a wage system that reflects added value to a potential wage under any award, State or Federal. Time is short. I will conclude and give the Minister an opportunity to speak. My major concerns relate to the way the Federal Government is proceeding with the levy and imposing on business the responsibility for training. I am not

convinced that the tripartite arrangement proposed in the SESDA legislation is the answer. We need some kind of training facility in this State, but we need it to be flexible enough so that each employer can implement training to meet the needs of his business in a way that he thinks it should be implemented and at a level that he can afford. We do not need to adopt the socialist format by which the Government will impose a system of employer training which is either run by or contributed to by the employer. In the interests of the employees, the only basis on which to operate this scheme is to make the employees, singularly or as a group, more productive through training rather than going across the board and achieving certificates so that people can plaster them on their wall.

MR AINSWORTH (Roe) [10.31 pm]: No-one would doubt the need to improve skills in the work force as that is essential to improve our international and interstate competitiveness. Therefore, training and retraining is vital, but it must go hand in hand with industrial reform. In the second reading speech the Minister acknowledges that we must "understand and develop the important relationship between the highly skilled work force and productivity". However, productivity involves two sources: Firstly, a highly skilled work person which training provides; and secondly, internationally competitive work practices. The two go hand in hand as was indicated by the Minister when he referred to overseas countries in the second reading speech. These countries were actively involved in the workplace reforms and have more advanced work practices than does Australia. Although work practices are part of that argument, the Bill deals only with training and skills development and does not deal with work practices in conjunction with these aspects.

The need for increased training and retraining in the work force covers a wide range of industries; however, I have a particular concern with the agricultural industry. Although this industry is suffering as a result of the harsh economic climate, by world standards it has the highest per capita productivity. Increased productivity will be required if the industry is to continue to prosper, and skills training is one way to encourage that increased productivity. The Western Australian Farmers Federation has supported the Bill with some reservations for just that reason. It acknowledges the need for skills development across all industries. It believes that the SESDA legislation is a workable structure and is the first step to rationalised and coordinated skills development. However, it will require broad cooperation between employers, employees and the Government to achieve its intentions.

In the second reading speech the Minister made the point that we must reach a position in which difficult issues of multi-skilling, skills upgrading and accreditation can be resolved by employers, employees and Government. That is something we would all agree with, but the Bill requires some amendment to achieve it. It is vital that all parties involved in the process have a true spirit of consensus and cooperation. Therefore, barriers from the past must be broken down and the new authority Bill should not contain specific representative organisations; that is, there should be no specific mention of the Executive Director of the Confederation of Western Australian Industry or the Secretary of the Trades and Labor Council. Similarly, the Skills Standards and Accreditation Board should not contain a place for direct nominations by the TLC. This should not be a matter of entrenching organisational power because the main commitment should be to skills development.

Certainly the groups to which I have referred have a wide representation in their electorates, but the Minister has the power to call for nominations to ensure adequate representation from those bodies rather than specifically identifying the groups in the legislation itself. In that case the Minister could call for nominations from groups he or she believes represent employer and employee groups and are appropriate for both the authority and the accreditation board. That will ensure that entrenched positions can be forgotten, ministerial responsibility is increased and that the true emphasis is placed on skills development by the SESDA authority. The Minister has argued against this point prior to this evening, and it is important if this legislation is to work that all parties involved do not have a perception that some entrenched positions will be maintained. It is important that the two groups to which I have referred treat skills training as important. For the goodwill of all the industries involved, it is better that those individual organisations are not stipulated in the Bill.

It is vital that consensus be achieved on all issues with which the authority will be dealing. In establishing the industrial employment and training councils and the Skills Standards and Accreditation Board it is more important that a consensus be achieved for the sake of goodwill than that they be established on the basis of confrontation. The authority will be set

up to provide a vehicle for training which will succeed provided that two criteria are adhered to: Firstly, it should be totally open with no institutionalised representation on the SESDA authority or the accreditation board; and, secondly, consensus must be reached on skills development by all the parties involved.

DR TURNBULL (Collie) [10.38 pm]: I am pleased to speak on the subject of the formation of a skills employment training scheme in Western Australia. I recognise that the Minister has an enormous commitment to this subject and I have been fortunate enough to be present on a number of occasions at which the Minister has talked about his portfolio and the aspects involving skills development and training for employment. Along with his commitment, the Minister also has an enormous responsibility in this area because the SESDA Bill has raised very high expectations in some areas of our community. It must be recognised that it has limitations. It is not, as the member for Kenwick said, just a matter of social justice; this Bill is a matter of survival for the economy of Australia. The member for Kenwick is unfortunately placing far more emphasis on SESDA than she should, if I understand her speech correctly. Skills formation starts at school, and industry should not be expected to pay for that education or for the education of disadvantaged people. That preparation for the work force must stay within the primary, secondary, tertiary and TAFE sectors of the education system. This Bill is about the management in this State of the training guarantee levy of one per cent on companies whose payroll tax exceeds \$200 000. It is to facilitate employee training within industry and it is for development within industry. We must remember that point. It is not preparation for the workplace and it is not for training people to enable them to move from one industry in which they have been trained to an adjacent industry. I am very aware of that aspect because the Muja power station trains power station operators for the whole of Australia. Therefore, the money put into that industry in Western Australia to train workers is exported to Queensland, New South Wales or even overseas. That can be very detrimental to an industry. The Muja power station and SECWA put up with this situation because they are Government instrumentalities and the wages they pay are so low in comparison to the wages paid for similar work in the private sector that they cannot keep the people they train.

The employers who will be paying the levy want and need to train people who can work in their industries. That is a most important factor of the Bill. It is intended to raise the productivity of the industries paying the levy. In my electorate I represent all the primary industries operating in Western Australia, with the exception of the fishing industry. I refer to the goldmine and refinery of Hedges Gold Pty Ltd at Boddington, the bauxite mine and alumina refinery of Worsley Alumina Pty Ltd, the coalmining by Griffin Coal Mining Co Ltd and Western Collieries Ltd, the tin and tantalite mining and refining by Greenbushes Ltd, the spodumene mining and its refining into lithium products by Lithium Australia Ltd, SECWA which is involved in power generation and training people in that area, and the agricultural industry including wool, horticulture, orchards and many small exotic offshoots of that industry. It is quite obvious that the very large industries in my electorate are already involved in extensive training programs. I refer to the Minister's second reading speech in which he said that the mining industry has invested very highly in training and this has enabled that industry to maintain a competitive edge in the world commodity markets.

The mining industries in my electorate already have training programs. The training program by Hedges Gold Pty Ltd in Boddington must be the most sophisticated and extensive program developed in Western Australia. Those companies have training programs which have been developed by the companies in conjunction with their employees to ensure a high level of productivity and to ensure that the people involved will be paid adequate wages. The companies are able to remunerate their workers adequately as a result of the increased productivity. At one of the mining companies I visited the other day I was told that its productivity in terms of the amount of material extracted compared to the number of men employed is the highest in that industry throughout Australia. One of the reasons for that is the multiskilling and adequate training of its workers which has allowed the company to dispense with certain workers who are traditionally recognised as part of the system in other organisations in Western Australia and Australia. In the mine and refinery to which I refer there are no shift bosses, and every person who works in an area is his own shift boss. Imagine what an enormous improvement could be made in industry productivity in Australia if there were no shift bosses. When the representatives from DOHSA visited

that company they asked where the designated safety officer was; when they were told there was no such person, they said that according to the rules a safety officer should be designated. The workers said they were their own safety officers, and that there was no point designating a safety officer who might be at home in bed while they were at work. That is the way it should be. When oil is spilt on the floor, it is not left for someone else to mop up. The person who sees that oil spilt is responsible for wiping it up. These are small areas of training, but the removal of safety officers, shift bosses and security officers, who have also been dispensed with in that company, would improve productivity enormously in individual companies and in Western Australia overall. Those people reached that stage through training they received in the company's program. They will not reach that position by taking part in nebulous overall training which is suitable for the mining industry or the power generation industry. The programs developed must be very specific to the workplace in which people are employed. That is particularly the case for the various industries in my electorate.

The responsibility on the first layer of these industry employment and training councils is very important. I support the comments made by members on this side of the House that the industry employment and training councils must be made up of a balance between industry, employees and skills trainers. The skills trainers must come from within the industry with which they are dealing, and should come from the exact workplace of the employees they train. The employees must be representative of all employees and not just union employees. The reason for that comment is that I question the statement made by the member for Belmont, that it looks as though the conservatives are against the trade union movement. We are not against the trade union movement. We feel that the employee representative on the industry training councils must represent the employees and not the unions. I say this because the wool industry is another large industry in my area. Members may think that perhaps the wool industry is a small employer which may not come under this training levy. However, a contractor who employs five shearers must also have a wool presser, a woolclasser and sometimes a shearers' cook. He will have a payroll far in excess of \$200 000 a year, so he will be subjected to all these items, as well. At a time when Australia and the wool industry is having one-quarter of its total profit - and not even profit, but turnover income - removed, another one per cent levy will be added to its payroll tax.

Members well know that union representation amongst shearers and those who work in the wool industry is less than 50 per cent. It is, therefore, unacceptable that the employees' representative should necessarily have to be a union member. The employees' representative must be representative of the employees in an area. The area that the member for Belmont targeted specifically was the hospitality industry. Members well know that unionisation is low in the hospitality industry. I ask the Minister in charge of the Bill - who is not here at the moment - whether the hidden agenda of the union movement coming through in the SESDA Bill is that all the people involved in the training process should become union members. I have a suspicion that could be the case. The Minister may try to reassure me that that is not the case, but unless we can absolutely ensure that members of the industry training councils who are representing employees are not designated as unionists but as representatives of the employees and when the Minister appoints them he tries to take the responsible, balanced action of choosing a person who is representative of the employees and not necessarily a trade union official, we will lose the true objective of this Bill; that is, to promote employment development skills among employees which are appropriate to productivity improvements for the whole of Australia and therefore the improvement of the individuals involved.

It has taken a long time and much consultation to deliver this Bill. I think it should be as appropriate as possible at this stage. Do not let us pass a Bill which in a few months or years we will find has taken us in the wrong direction. It needs to be a Bill which is truly representative of the employer and employee in an individual workplace. Its objective should not be to cover the overall scene in Western Australia; nor should it be aimed at the broadbanding award structures that have been introduced by industrial awards. That is not the true objective. As has been pointed out here already tonight - and the Minister responded - we do not really want to go down the track of having training programs and little pieces of paper that fit into the industrial relations award structures. We need training that is appropriate for the actual workplace such as for a tantalum mine, a lithium refining

process, a shearing shed with five contractors or a gold mine which is the most efficient one in the whole of Australia. We need processes that are appropriate. Let us hope that one day we will do away with the shift bosses throughout the whole of Western Australian industry.

MR LEWIS (Applecross) [10.57 pm]: I do not want to retread ground trodden previously by members during this debate. It would be hard to find any member in this House, or any person in the community, who does not have sympathy with the proposal to increase the training levels of people in the work force in Australia. That is a laudable intention. I believe the Bill is moving in the wrong direction. I have great belief in the old saying that you can lead a horse to water but you cannot make it drink. I do not believe that this legislation is the palliative or cure for our training problems in Australia, and particularly in Western Australia. If the Minister believes that, he is either misguided or naive. This legislation has been devised by a group of theorists who have had little experience at the coalface in the workplace, or who do not understand the imperative of the need to train staff.

Mr Troy: the member for Applecross should look at the list of interim council members of the drafting panels before he makes that comment.

Mr LEWIS: The Minister can have all the theories in the world. I know he is having 24, 36 or 48 councils.

Mr Troy: The member has not read the Bill.

Mr LEWIS: I have. The Minister has been struggling with this legislation for 12 months. He cannot get it right.

Mr Troy: Is that so?

Mr LEWIS: Yes.

Mr Troy: Then point it out.

Mr LEWIS: I repeat, this Bill was put together by a group of theorists who thought they could solve the training problems of Western Australia with a hefty piece of legislation.

Mr Troy: Every employer group in the State which supports this Bill will get a copy of your remarks.

Mr LEWIS: This is a hefty piece of legislation which the Minister thinks will cause employers to train employees. It will not.

Mr Troy: What does the member propose?

Mr LEWIS: Training must be market driven. It must be driven by a need in the community to train people because they want to be trained and their employers want to train them for their own productivity reasons and the profitability of their businesses. That is a fact. That is the natural phenomenon which causes employers to train their employees. I ran a reasonably successful business for many years, a professional business, and we went through both good and bad times.

Mr Troy: Did you ever train anyone?

Mr LEWIS: I trained a lot of people. I had five or six articled pupils whom I trained in the course of my profession. That is more than the Minister has ever done.

Mr Troy: Is it?

Dr Gallop: You have just made a big mistake.

Mr LEWIS: No, I have not. How many people has the prefect opposite ever trained?

Dr Gallop: A lot of people.

Mr LEWIS: The Minister may think he has trained them but he has just given them a lot of gobbledygook in a theatre at university. He has never had any dirt under his fingernails in his life.

Mr Pearce: You should be aware that the Minister had a very responsible training role with Telecom.

The ACTING SPEAKER (Mr Marlborough): Order! I know it is that hour of the evening when it is easy to be distracted from the main thrust of a very important debate, but let us return to the Bill.

Mr LEWIS: My experience has been that training is born out of necessity, where people want to be trained, and where industry wants to train people in order to become more productive and profitable, and to survive. All the legislation in the world will not cause employers to train people or employees to seek training from technical colleges or institutions of learning. There has to be a demand in the workplace in the first instance. That is the point that we on this side have been trying to make this evening. Training has to be market driven. My experience in my profession has been that businesses go through highs and lows. The building industry is currently going through a low. There is not a lot of employment available.

Mr Troy: You are looking a bit low tonight.

Mr LEWIS: I am not low. It is the Minister who is getting down in his chair because he knows he will get rolled.

Dr Gallop: You do not dictate to the upper House. What are you saying?

Mr LEWIS: I remind members opposite that the Premier told the building industry that this legislation will not pass.

Mr Troy: When did she say that?

Mr LEWIS: The Premier has forecast to the building industry that this Bill will not pass.

Mr Troy: You had a stooge who tried to tell that to the Chamber of Commerce and Industry of WA, and it resulted in a letter from the Premier which completely rejected that view.

Mr LEWIS: The Minister knows that his people are presently beaver away on a rewrite of the building and construction industry training fund and levy collection legislation on the basis of this legislation's failing. Is that true?

Mr Troy: I am telling this House it is absolutely untrue.

Mr LEWIS: Does the Minister have his people working on mark III of the building and construction industry training fund and levy collection legislation?

Mr Troy: Absolutely not.

Mr LEWIS: The Minister is telling fibs again.

Mr Troy: No, I am not. Name one person.

Mr Kierath: The Minister is now on record as saying, "Absolutely not."

Mr LEWIS: And his face is going red.

Mr Troy: Not for one minute.

Mr LEWIS: We have a Government that is intent on forcing onto the community a massive bureaucracy to regulate training in this State.

Mr Troy: You are a clown. You have no idea about the Bill.

Mr LEWIS: Of course I have no idea! The Minister is the only person who knows anything. His arrogance is such that he does not think anyone else knows anything about it.

Mr Troy: You would stimulate someone to that position out of your ignorance.

Mr LEWIS: I am ignorant, am I? I have never been out there, have I? I do not know anything about it.

Mr Troy: A massive bureaucracy? That is in fact what is being dismantled.

Mr LEWIS: I will now describe a situation where this legislation is in conflict with the Federal legislation.

Mr Troy: Is it?

Mr LEWIS: Absolutely. The Federal legislation, which is well on its way through the Parliament -

Mr Troy: It does not provide for a training scheme or for a vocational training policy.

Mr LEWIS: The Federal Government has now imposed a one per cent payroll tax levy on every payroll in this country in excess of \$200 000.

Mr Troy: This Bill has nothing to do with a levy.

Mr LEWIS: Is that true?

Mr Troy: You cannot understand that this Bill has nothing to do with a levy.

Mr LEWIS: It has a lot to do with it because the Government's Bill will be the umbrella Bill for a bevy of other training industry levies that the Government will seek to levy on top of the proposed Federal payroll tax. The Government is not game to bring on the building and construction industry training fund and levy collection legislation at the moment, which it knows it will get rolled on as well, because it wants to double up -

Mr Troy: Who asked for that legislation?

Mr LEWIS: The Government wants to double up, and the Minister knows it.

Mr Troy: The industry asked for that legislation, and the Government is happy to support it.

Mr LEWIS: Can the Minister deny that this legislation is but the first cab off the rank? The Government wants to impose these compulsory training levies funds on every industry in Western Australia.

Mr Troy: We will support industry if that is what it seeks.

Mr LEWIS: Admit it. The Minister knows very well that the Government wants to impose this additional levy on all industries in Western Australia.

Mr Troy: You have distorted the truth about that.

Mr LEWIS: The Minister is not honest enough to admit it. The Government is seeking to put in place a massive bureaucracy on industry. Industry and commerce train their employees when the need arises, and they are trained by the natural process of market forces. Employers know what their employees need in order to be more productive, and they know also when they require fewer people because of a downturn in the economy. This country is now experiencing the greatest downturn in the economy that we have seen in the last decade.

Mr Troy: Your memory is very short.

Mr LEWIS: It is the greatest downturn in the Australian economy for 10 years. What is the Government going to do? It will support a Federal payroll tax levy of one per cent, and it will then slug employers for another 0.2 of one per cent on every contract in Western Australia.

Mr Troy: You tell people what I am going to do and I will correct it later, because you are a fabrication of falsehoods.

Mr LEWIS: Of course I am! I have the Minister on the run, and he knows it. The Minister knows he will get rolled.

Mr Kierath: How can you give an exemption? Answer that.

Mr Troy: Read the Federal legislation. Exemptions are already provided for.

Mr LEWIS: Let us go through the scenario of exemptions.

Mr Troy: The regulations make adequate reference to that. Have you got the regulations?

Mr LEWIS: The Federal legislation is in place. Let us take the example of a major building company, building company A, which has a payroll with its directors and general factotums of \$200 000 or \$300 000 a year. Then the Federal Government comes in and says, "We will have one per cent on your payroll. Thank you very much." On top of that insidious payroll tax we have the Western Australian Government payroll tax levy, and FID, BAD, and all the other taxes.

Mr Troy: When are you going to learn to tell the truth?

Mr LEWIS: I am telling the truth and the Minister does not like it.

Mr Troy: I do not like falsehoods.

Mr LEWIS: That one per cent additional payroll tax is levied against the company. The company pays into the Federal Treasury, or to whoever will collect the tax. The company has its own training fund. It has its group of apprentices whom it sends off to technical college. These apprentices have hands-on training, and it costs money. The company has

two or three apprentices and trainee technicians on the job. It says to the Federal Government, "Do not tax me one per cent on my payroll because I am training my own people." The Federal Government says, "How can we have accreditation? How can you certify that you are spending this money training your people? You had better go to see the State Employment and Skills Development Authority because it has all these little training committees or industry committees which overview training in each industry area, and it will give you accreditation." As a result, the company will be lucky to receive an answer nine months and numerous letters later from one of these training committees saying, "Yes, you are training and you will have an exemption." So off goes the letter to Canberra and the company is exempt.

What happens then? This Building and Construction Industry Training Fund and Levy Collection Bill says, "We will have 0.2 per cent of one per cent of every dollar which your company builds or contracts from here on in." The company says, "Hang on! I am already training my own people." The Government says, "But there are other people out there who are not training, and because we have to capture everyone we have to have unanimity; too bad. You must pay that levy as well." On the side, of course, that building company employs a group of plasterers or bricklayers. It may be a team of 20 people. That group also pays the one per cent payroll levy, and that levy goes straight to Canberra. The State Government, through its levy on the contracts, which is 0.2 per cent on a contract, must be paid as well. That is double dipping. The builder must pay his own levy, 0.2 per cent on the contract, the subcontractor is paying one per cent on his payroll, and the builder is running his own in-house training deal. He is being stung once legitimately, because he wants to train his own people, but on top of that the Federal Government whacks him for one per cent via his subcontractors, and this Government comes in over the top and says, "We want another 0.2 per cent of everything you build." That is double dipping; that is deceit; members on the other side of the House are indulging in a rotten, dirty, taxing measure.

Mr Troy: That is what you have been telling the people! Good, because we will have real pleasure in giving them the right information.

Mr LEWIS: People in the building industry have told me that under no circumstances is that legislation to be considered unless there is an absolute assurance from Keating and Dawkins that they will not be whacked twice. Is that true or not? Have they told the Minister that?

Mr Troy: I shall respond to you. Carry on and dig yourself in a bit further.

Mr LEWIS: Have they told the Minister that?

Mr Troy: You put yourself further up the garden path.

Mr LEWIS: I have not put myself up the garden path at all, I am just giving the Minister a few home truths. It is not so rosy out there as he might think.

Dr Gallop: Which builder? Shonky Goliath?

Mr LEWIS: The member is a prefect; he has never grown up.

Dr Gallop: I am a bit smarter than you are.

Mr LEWIS: It is getting late; perhaps I have been talking for longer than I intended, but what I have said has had to be said. We must be vigilant on this side of the House. We cannot let the socialist Governments of Australia continue to tax the businesses of Australia out of existence; to tax them to the extreme for extra payroll tax and extra levies on contracts. Businesses no longer have further incentive to be productive and to train people to make Australia a greater place.

MR TROY (Swan Hills - Minister for Productivity and Labour Relations) [11.16 pm]: Tonight we have heard from the Opposition parties a response which at least recognises the importance of what we are trying to do. It clearly recognises that this State - and in fact this country - is in somewhat of a predicament in terms of vocational training when any comparison is made with our trading partners. The Opposition parties clearly recognise that some action must be taken, and I believe they are prepared to support this Bill to that extent.

However, when one examines the effort they have put in to try to understand this Bill, one cannot help feeling disappointed. Those remarks are perhaps more appropriately applied to the Liberal Party's spokespersons than to those from the National Party. There is no better

evidence of that than the whole range of fabrication which we have just heard. Let me put on the record at the outset, I have indicated to those companies involved with the Building Industry Training Fund that we have argued strongly, and as recently as my attendance at the Commonwealth State and Territory Ministers' of Labour Conference, sought exemptions from the Federal Minister in terms of directions which any industry group cares to take up under its own funding scheme. They will be exempt under the Australian Federal training guarantee provisions. I have that undertaking from John Dawkins, the Federal Minister, and I have absolutely no reason to doubt it. We will see that undertaking clearly enshrined in the regulations which will be forthcoming. As soon as I have that undertaking in written form I shall make a point of writing to those people referred to by the member for Applecross in what was a very misleading speech.

To get away from that, because those comments do not deserve any further time spent on them -

Mr Lewis: When do you expect to have that letter?

Mr TROY: I shall pursue that again tomorrow. I have no doubt it will be forthcoming. We have heard a series of comments from members opposite, particularly the Liberal Party spokespersons, who have come into this Chamber carrying nothing but a brief from the Chamber of Mines. I am quite prepared to put on the Table a comparison between the amendments on the Notice Paper and what I received from the Chamber of Mines about 10 days ago. It follows it almost word for word. Opposition members cannot be very proud of their effort. With your permission, Mr Speaker, I will table that comparison, which has been prepared in my office.

[See paper No 349.]

Mr TROY: That comparison clearly shows the Opposition's preparedness to face what is one of the most important Bills to be introduced into this House for a considerable period of time, in terms of the economy of Western Australia. Their effort is disappointing in that context, and people in this State should understand that.

The reference by members opposite to the process being top-down is completely wrong. We have clearly given a major emphasis to the industry employment training councils, to the point where some of our critics have said, "You have been under-prescriptive in terms of IETCs." I say that with all due respect to the member for Kingsley, who recognised that we had left a significant capability for the IETCs to advance the independence of their industry group in an effective and flexible way by limiting prescription in the Bill.

The second point, which was advanced by a number of speakers, is that under this Bill training has become an industrial issue. Let me give members opposite a different construction to that, because if we do not have a vocational training authority which can address frequent amendments to skills training, we will have what we have had in this State and this country for a long time; that is, the question of skills training being determined by the Industrial Relations Commission. Let us not fool ourselves. If members opposite think vocational training is not an industrial matter, let me put this scenario to them: Some years ago they thought superannuation was not an industrial matter; but what did the High Court of this land finally determine? Clearly the court ruled it was an industrial matter, there is no question about it. If members opposite want to test the question of vocational training - after four years of involvement as an industrial matter from the 1987 wage case sense - and say that it is not an industrial matter, they are fooling themselves. They can have a philosophical view of that; they can set us back and let us fall further behind our overseas competitors, if they want to take that view; but that is the reality. What this Bill does is offer a solution to take it away from the Industrial Relations Commission bench for determination and put it into an independent authority. That is significant, and it is the very reason that I advanced this Bill so rapidly at the end of last year - I could see restructuring stage 2 coming up very quickly and I was concerned about the enshrinement of training in that process of restructuring in a way which would be difficult to ensure there would be easy and ongoing amendment in the training agenda.

Members opposite said tripartism would not work, when referring to the occupational health legislation which exists in this State. As I indicated in an interjection, we are about 40 per cent of the way through training employees and supervisors in occupational health

legislation understanding. I do not deny that has been abused since the legislation was passed in this House in September 1988; neither do employers or the trade union movement deny that. In fact, that is why they were prepared, in the spirit of cooperation, under the chairmanship of Bruce Collier - the ex-Chief Commissioner of the Industrial Relations Commission, now retired - to address the problem of occupational health in the building industry.

Mr Kierath: Who warned you of that?

Mr TROY: I suppose the member for Riverton wants to say he did.

Mr Kierath: We did.

Mr TROY: We will give the Opposition that one, but as usual they were not the first.

I am not saying that the present problems we are having with the building and construction industry in occupational health will mirror what we are trying to do with training. Some employers and some unions, as the leaders in this current focus on training, have been saying since 1987 that this is what we must do in this nation, yet members opposite are suggesting that they will deny them a continuing involvement through this tripartite mechanism. Let me say very clearly that we will not sustain long and everlasting reform on the labour relations scene unless we have cooperation from the industry partners towards that. This Bill will ensure that that does occur. It is eagerly sought by the total trade union movement - I think I can reflect that from the comments they have put to me - and the majority of employers.

Mr Kierath: And how much of the work force do they represent?

Mr TROY: More than 50 per cent.

Mr Kierath: According to a question I asked you, no more than 35 per cent.

Mr TROY: If the member for Riverton is quiet for just a moment I will take this opportunity to upgrade the answer, because I have looked at the latest Australian Bureau of Statistics' figure and it is more than 50 per cent. If the member wants a copy, I will provide one to him tomorrow. He should not say the Trades and Labor Council is not representative of a wide group. The member for Riverton would also have us believe that the Confederation of Western Australian Industry is an insignificant group. Let me give him an insight: It has 6 000 members, and 90 per cent of its membership has fewer than 20 employees. The member should not deny that body the right to comment for small business. I am sure it will be involved in that scene in the most effective way.

Mr Kierath: Have you asked those small businesses how they view training?

Mr TROY: Have they withdrawn their membership from the confederation?

Mr Kierath: No, but I asked how they view training.

Mr TROY: While I am on that point, clearly we recognise there was significant opposition to the Confederation of WA Industry's enjoying a veto provision in terms of employers' rights on SESDA. We have made those adjustments to the Bill and we currently have a situation, reflected in a whole host of correspondence to my office and to the SESDA secretariat, that the only groups currently on record as opposing this Bill are the Chamber of Mines of WA (Inc), the Chamber of Commerce and Industry (Inc) WA and, within that group, the Electrical Contractors Association. I know one or two groups support the Bill with conditions attached. The WA Farmers Federation is one; I acknowledge that. I have a letter from that body and it is unfortunate that members opposite have not yet been advised in writing, but there is very strong support from the WAFF for what we are doing with SESDA. That body recognises the benefits that can flow to its industry. Let us face it, the rural and agricultural sector, as one of the leading industries in this State and this country, has not been exposed to the level of training it should have pursued.

Another argument is who will pay for that. I will give members an insight into that. At the latest meeting of the Ministers of Labour Advisory Council the State Ministers, including those from non-Labor States, fully supported the consensus view - and let me make the definition of "consensus" quite clear here, because otherwise that will be raised in this debate; it means a majority view - that significant work must be done to address the question of who would pay for vocational training in this country and in each of the States, and that decision must be made by the next MOLAC meeting. An inquiry under Mr Ivan Deveson's

chairmanship will give the opportunity for input from everyone, and it boils down to whether Governments will pay more. Let us face the fact: Governments in this country and in this State already place us in a very high position in the Organisation for Economic Cooperation and Development comparisons.

Mr Kierath: You cannot pay more because you have lost so much money.

Mr TROY: Is the member for Riverton going to bring that up again?

Mr Kierath: It is a fact.

Mr TROY: Does he not like the facts that I have given? Can he not concentrate on vocational training for 30 seconds? I suggest he does, because it is pretty important.

The next question is: Where does industry sit in terms of the OECD comparison? It has a very low position, and that raises the question of their potential to contribute as well as what the individual pays. All of those sources of funding are under review by the Deveson committee and certainly our State will be making a contribution to that debate.

In relation to the concern about strategic and operational planning, a longer term view on policy and initiatives needs to be taken. We are asking the authority and each of the independent employment training councils to prepare a strategic document. We are asking them also to produce an operational document which will take account of the strategic thrusts that are intended and put down in the record what they intend to do in a year. They are required to report on that in their annual reports.

For those doubters about the provisions of the Financial Administration and Audit Act, when they want to conveniently use the Auditor General's comments they should note that he said that he was not in a position to have the full provisions of the Financial Administration and Audit Act put into place in the first year, and neither were the organisations he was examining. Clearly there will be a provision in the second and subsequent years and there is provision in this Bill. That touches on accountability.

Mr Kierath: What about your department? Give us the figures?

Mr TROY: Does the member not want to talk about vocational training?

Mr Kierath: You referred to the FAAA. Tell your department to give us the figures. They fiddled the figures, didn't they?

The SPEAKER: Order! The member cannot say that by way of interjection. That is not proper.

Mr TROY: If he has trouble with his concentration, he should have a cup of coffee; he will contribute more to the debate. The strategic and operational planning aspects relate to accountability. I have touched on the provisions of the Financial Administration and Audit Act; let us look at other provisions. I have given an undertaking that the Bill will come back to the Parliament after two years in operation for a full review. I have also undertaken to have frequent reports given to me as Minister in that two-year period so that I can watch the progress of it. This Bill is one of great significance. I am not suggesting that every element of the Bill will be perfect and will work for ever more. I have said to the industry partners that if further amendments are required, I will have no hesitation in bringing the Bill back to this Parliament. That is appropriate with any new legislation.

Mr MacKinnon: Just like the occupational health, safety and welfare legislation.

Mr TROY: When is that required for review? The Leader of the Opposition is nearly as bad as his colleague; he does not know much about his throw away lines. He should button up and learn something.

I have touched on the prescription for IETCs. Apart from allowing for each industry to have a degree of flexibility which we acknowledge is essential, the Skills Standards and Accreditation Board and the authority are well prescribed in the Bill and leave little doubt as to the intentions of the interim councils which considered the recommendations from the overseas visit and what the subsequent drafting subcommittee of that group determined in bringing the legislation forward.

It has been alleged that the SESDA structure is bureaucratic. I wonder what it was being compared with. Is it being compared with the present system where we have 130 advisory

committees and a host of people in TAFE making policy decisions instead of being demand responsive. Traditionally, TAFE has been a supply organisation rather than demand responsive. There is no question that this Bill leads to significant changes for TAFE. It also leads to significant changes in terms of the alternatives available through other training providers. TAFE will be in a competitive environment after this legislation is passed. I think it will face up to that in an effective way. I have difficulty in understanding the critics of the Bill who suggest that this provision is bureaucratic.

A major criticism has been made about consensus. In fact, the suggestion about consensus meaning unanimity is foreign to the meaning contained in the *Concise Oxford Dictionary* which states that consensus means a majority of opinion; it does not refer to a unanimous view. Comments have been made that decisions should be unanimous, but the body is an advisory body. That means that any person on any of the authorities can stop the process going forward. The tripartite mechanism is well balanced. We are not asking for unanimity in decision making.

Mr Kierath interjected.

Mr TROY: The member should listen to me. He wants to take the decision-making process away from the industry which we are trying to set up and give it back to the Government through the Minister. He does not understand the provision.

In relation to the tripartite body, we have encouraged the parties involved to arrive at a decision by consensus. However, in the event that they cannot or choose not to, there is some pressure for them to exert a vote. However, in exerting a vote, there has to be adequate commitment by the parties to make the system work. That is what a tripartite or cooperative approach is all about. Very cautiously provided clauses are contained in the Bill to provide the necessary balance in the decision-making process.

Another question was raised about funding arrangements. The State does not intend to walk away from its obligations to provide funding to vocational training - that will continue. I have said already that there will be resource savings in some areas because SESDA will take over a number of functions and funding will be transferred to the IETCs above and beyond the 15 IETCs presently funded by the State. I have received an undertaking from the Commonwealth that it will continue funding for the IETCs that exist in its network after they are folded into our network of IETCs. The difference between the 15 IETCs and the others - currently there are 21 or 22 of them - is that the State will provide funding for the new IETCs to develop.

In relation to any resources that may be saved in TAFE, the demand on TAFE will be extensive; there is no question about that. Resources that we can unlock internally in TAFE will be used for the training demand. Certainly, if we are successful with SESDA that will be an appreciable amount.

There is still great confusion among a number of speakers on the other side. They cannot see that this Bill is not imposing a training levy. That is a Federal Government responsibility and the one link that we can have here is that, in terms of providing policy on training, we need a body such as SESDA in this State to provide that to the national training board. It has had its third meeting and is going down a path. If we cannot get our house in order, we should not expect to bring influences to bear on the national training board. That is why the SESDA authority is important.

Certainly the Australian training guarantee's distribution must be by way of a tripartite mechanism. If we do not have SESDA we will miss out on funding from the Australian training guarantee. We have the chance and we need to ensure we can do it through that mechanism. That mechanism will be widely representative. I am not interested in people with narrow interests serving on the authority. I am looking for people of appropriate calibre to ensure that they are representative of the wider training agenda.

A significant point that should be covered is the great difficulty members opposite have of recognising the current dilemma with vocational training; and where we see some vision about how we would progress in time. The legislation is limited; we cannot move from the situation of nonexistence to one of extreme advancement; we cannot leap through the stages. Members opposite should understand that. The legislation evolves from the first coming together of people four and a half years ago on this issue. Legislation has been brought to

this place, and I do not deny for one moment that it is a progression. It is an evolutionary progression; it is not revolutionary. I strongly support that evolutionary process, and that is why I have given an undertaking to make amendments. Members should understand that the naming of the Secretary of the Trades and Labor Council, and the Chief Executive of the Confederation of Western Australian Industry, is related to the history of training in this State and the involvement of both organisations as leading lights for a long time. I am not suggesting they should be thrown out now and rejected.

Mr Kierath: Those people could be appointed without prescribed legislation.

Mr TROY: We will change the legislation, if necessary, in time. Presently, we are of the view that they should receive specific nominations.

The Bill provides a skills development focus which is absolutely crucial in this State to productivity, economic growth at both State and national level, and international competitiveness. The Bill tackles a huge problem with coordination, both within the State network and the appropriate coordination needed with Federal bodies to ensure that Western Australia's viewpoint is advanced. Let us not beat around the bush: If we do not have the State Employment and Skills Development Authority, decisions will be made by people in the Eastern States on the National Training Board which links directly to manufacturing industries in those States. If members think that resource-based States will have any say without SESDA, they are dreaming. That provision will protect the Western Australian position by making sure we have a body representative. My intention is to put the chairperson of SESDA on the National Training Board as the State representative. That is an important parallel to ensure coordination is fully effective.

Dr Turnbull: We will have two representatives on the National Training Board whether we have SESDA or not.

Mr TROY: We will have one; that is, presently, the head of a department, as an interim arrangement. The member will not disagree that if we had the chairperson of SESDA on the National Training Board we would be more widely represented.

Another feature of the Bill is the clear enhancement of industry involvement. We are removing Government control. The industry will lead what we want in vocational training through the industry employment and training councils. The authority will not intrude into enterprise initiatives. We have left the capacity for any enterprise arrangements which currently exist or those which may be started up to continue. We are not threatening those arrangements; most of them are associated with mining companies. The strong contribution they make to the vocational training scene is on record. The Bill does not intrude upon that; it is deliberately constructed in that way.

To talk about the efficiency of effort we simply need to look at the representatives - cutting some 130 official bodies, plus 30 non-officials in an advisory capacity, and bringing a maximum of 25 back to industry employment and training councils. That is far more efficient than the present system. Representation in this area should include influential decision-makers on vocational training. We should have technical experts on SESDA; that has been covered by the amendments since November last year. We have to ensure that IETCs are given full capacity to represent the industry.

I have addressed the key points raised in debate tonight. I am still confident that the Opposition will recognise the significance of the Bill and the contribution it will make to the State's future. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

House adjourned at 11.46 pm

QUESTIONS ON NOTICE

TAFE - FEE INCREASES
Handicapped and Elderly People

742. Mr MENSAROS to the Minister assisting the Minister for Education with TAFE:

- (1) Is the article printed in *The West Australian* newspaper on 25 May 1990, and entitled "Fee increases to hit TAFE's older pupils" correct?
- (2) If not, could the Minister give information about the correct fee increases in different disciplines?
- (3) Would the Minister explain how any fee increases are compatible with the Government's announced policy in supporting handicapped and elderly people via educational classes at TAFE?

Mr TROY replied:

(1)-(2)

The comments made in the article by the executive director of TAFE more adequately reflect the true nature of the situation.

- (3) Physically and mentally disabled people are currently catered for by special courses which do not involve tuition fees, or by special support services for enrolment in mainstream award courses. Elderly people are currently catered for principally by adult education classes covering a range of recreational and leisure pursuits. Fees for these courses have not been changed. Tuition fees for adult education courses are calculated at the rate of \$3 per hour. Concessional tuition fees of \$1.20 per hour, up to a maximum of \$18 per subject per term are available to individuals who hold any of the following cards, and to their dependants:

Health Care Card
Health Benefit Card
Pensioner Health Benefits Card and Travel Card
Veterans Health Benefit Card
Rates Concession Card
Seniors Card

These TAFE services illustrate the continued priority which the Government places upon meeting the education and training needs of the disabled and elderly.

NURSING - MENTAL HEALTH NURSES
Tertiary Education Plan

834. Mr HASSELL to the Minister for Health:

- (1) Further to question 217 of 1990, has Cabinet considered the recommendations of the implementation committee for the transfer of mental health nurse education to tertiary education?
- (2) If not, why not?
- (3) What is the estimated cost of transferring to a tertiary based course?
- (4) Will the transfer be affected by the cost of implementation?
- (5) If both the Curtin University and Western Australian College of Advanced Education nursing courses are opposed to the separate course in mental health nursing, how does the Minister propose to implement the course?
- (6) Would the Minister consider locating the course at an alternative institution such as Murdoch University?

Mr WILSON replied:

- (1) No.
- (2) A submission to Cabinet is being prepared.

- (3) Calculation of the cost has not yet been finalised.
- (4) This will be discussed when the cost is known.
- (5)-(6)

It is anticipated that through continuing negotiations agreement about this course will be reached with the WA College of Advanced Education and Curtin University.

HEALTH PROMOTION FUND - 1989-90 BUDGET

836. Mr BRADSHAW to the Minister for Health:

- (1) What is the health promotion fund?
- (2) What is the 1989-90 budget?
- (3) Does this program replace any previous Health Department activity?
- (4) Where and how is the promotion carried out?

Mr WILSON replied:

- (1) I assume the member is referring to the Health Promotion Foundation and direct his attention to the Tobacco Bill which was second read in this House on 6 June 1990.
- (2) The figure of \$5 million was allocated to the Health Promotion Foundation for the year 1989-90. The budget for the full year 1990-91 will be \$9 million.
- (3) No.
- (4) Sporting, cultural and health organisations will promote appropriate health messages and activities to their memberships and the public through advertising, endorsements and other general promotional and educational events.

HOSPITALS - GERALDTON REGIONAL HOSPITAL

Beds

844. Mr HASSELL to the Minister for Health:

- (1) Are extra beds soon to become available at the Geraldton Regional Hospital?
- (2) If so, in what ward/s and how many?
- (3) At the same time, will other beds become unavailable?
- (4) If so, in what ward/s and how many beds are involved?

Mr WILSON replied:

- (1)-(2) It is anticipated that the current number of staffed beds (89) will be sufficient to meet the real needs of the Geraldton region for the foreseeable future. However, this situation will be closely monitored and appropriate adjustments made if and when it is assessed to be necessary.
- (3) Phase 1 of the redevelopment program for Geraldton Regional Hospital will proceed over the next two years and in this period beds will be closed in certain parts of the hospital and opened in other parts of the hospital to maintain the overall operational total of 89 beds.
- (4) The following arrangements are planned -
 - 2nd floor - South Side/Maternity-Female Surgical:
11 non-maternity beds to be closed with a corresponding 11 beds to be opened on Ward 4-East/General Ward (4th floor).
 - Ward 3-East/General Ward (3rd floor):
One bed to be closed, with a corresponding one bed to be opened on Ward 4-East/General Ward (4th floor).
 - Ward 4-West/Paediatric Ward (4th floor):
Eight adolescent/adult beds to be closed, with a corresponding eight beds to be opened on Ward 4-East/General Ward (4th floor).

- Ward 4-East/General Ward (4th floor):
20 beds to be opened, to accommodate redevelopment needs for bed space elsewhere in the hospital and to more efficiently and comfortably distribute beds through the remaining available space in the hospital (that is, 11 beds from 2nd floor, one bed from 3rd floor, and eight beds from 4th floor-west).

As the Hospital Redevelopment Project continues, other combinations of bed openings and closures will occur to accommodate the exigencies of the redevelopment project. Regardless of the specific distribution among floors/wards, the Geraldton Regional Hospital will continue to maintain an operational level of 89 staffed beds.

HOSPITALS - ROYAL PERTH REHABILITATION HOSPITAL *Nurse Shortage*

845. Mr HASSELL to the Minister for Health:

- (1) How many nurses were employed at Royal Perth Rehabilitation Hospital last year?
- (2) How many nurses are currently employed?
- (3) Is there a shortage of nurses in the wards due to Health Department cutbacks?
- (4) Is anything being done to alleviate this shortage?
- (5) Are patients suffering because of the shortage?

Mr WILSON replied:

- (1) In 1989 there was an average nursing establishment of 308.65 (FTE), including nursing assistants.
- (2) As at 18 June 1990 there were 321.99 (FTE).
- (3) No, however a major redevelopment of the theatres at Royal Perth (Rehabilitation) Hospital has just been completed. During the redevelopment beds had to be left closed due to the reduced theatre capacity. Now that all theatres are open, the use of beds is being resumed as the personnel to staff them are recruited. Funding to the full establishment is available and a recruitment program is underway.
- (4)-(5) Not applicable.

BICYCLE HELMETS - GOVERNMENT SUBSIDY SCHEME

849. Mr TUBBY to the Minister for Local Government:

- (1) Does the Minister have any objective or subjective assessments of the savings to the community in reduced medical costs resulting from the bicycle helmet subsidy scheme?
- (2) If so, what are the anticipated savings for the financial years -
 - (a) 1990-91;
 - (b) 1991-92;
 - (c) 1992-93?

Mr GORDON HILL replied:

- (1) No official cost benefit analysis of the Western Australian bicycle helmet rebate scheme has been undertaken. Such an analysis is difficult because not all hospitals keep accurate statistics on how head injuries are sustained.
- (2) See answer (1) above. It is not possible at this stage to provide more detailed estimates.

MINES DEPARTMENT - SURVEY AND MAPPING SECTION
Vacancies

854. Mr KIERATH to the Minister for Mines:

Within the Department of Mines, Survey and Mapping Section -

- (a) are there 10 vacancies currently unfilled;
- (b) if not, how many vacancies are there at present;
- (c) how long have these vacancies been unfilled;
- (d) when will these vacancies be filled;
- (e) what are the reasons for not filling these vacancies;
- (f) is a level 6 officer about to retire, and what arrangements have been made to fill this position, and when will it be filled;
- (g) are there three positions waiting reclassification from level 1 to level 2;
- (h) have these positions been awaiting reclassification since August 1989;
- (i) what are the reasons for these delays;
- (j) when will these positions be reclassified;
- (k) has the delay been caused by budgetary constraints;
- (l) has the human resources division of the Public Service Commission played any part in this delay, and if so, why;
- (m) has the Department of Mines played any part in this delay, and if so, why?

Mr CARR replied:

- (a) No.
- (b) Six.
- (c) From between February and May 1990.
- (d) Over the next few months.
- (e) One position, the February vacancy, was held up temporarily to ensure the department remained within its FTE allocation. The remainder are recent vacancies which are in the process of being advertised and filled.
- (f) Yes, advertising papers are being prepared and the position should be filled in the next few months.
- (g) Yes.
- (h) Yes, awaiting review of their classification.
- (i) These positions are currently under review and are three of 76 positions examined so far this financial year. Fifty-five of these have been determined with the remaining to be resolved shortly.
- (j) If the review of these positions confirms the need, the reclassifications should be determined by the end of July 1990.
- (k)-(l) No.
- (m) As stated in (i), these three reclassification requests are a few of many such requests and this heavy workload has been the reason for the delay.

POWER STATIONS - NEW BASE LOAD POWER STATION
Private Developers Submission Expenditure

861. Mr MENSAROS to the Minister for Fuel and Energy:

Approximately how much has been spent by each of the private developers submitting proposals for construction and in some cases running a new base

load power station fuelled with alternative sources of energy and situated at alternative places?

Mr CARR replied:

The bidders for the private development of a 600MW coal fired power station at Collie and Hill River have not revealed their bid development costs to SECWA. Hill River Power Development Company Pty Ltd has indicated publicly, project related costs of in excess of \$20 million.

WEEDS - HERDSMAN LAKE

Eradication - Osborn Ward Ratepayers Association Approach

862. Mr MENSAROS to the Minister representing the Minister for Planning:

- (1) Has the Minister or her department received an approach from the Osborne Ward Ratepayers Association to eradicate the weeds on the shores of Herdsman Lake at Floreat Waters?
- (2) Will the Minister consider doing this eradication immediately by available landbased mechanical equipment instead of waiting for special water craft to attack the weeds in several months time?

Mrs BEGGS replied:

- (1)-(2)
Yes.

FORESTRY - KARRI FOREST

Conservation Park Legislation

868. Mr KIERATH to the Minister for the Environment:

- (1) What is the area of karri forest -
 - (a) on Crown land;
 - (b) in State forest;
 - (c) in timber reserves;
 - (d) in national parks;
 - (e) in conservation parks;
 - (f) in nature reserves?
- (2) When the Department of Conservation and Land Management's plans for the central and southern forest regions have been fully implemented, what will be the area of karri forest in -
 - (a) State forest;
 - (b) timber reserves;
 - (c) national parks;
 - (d) conservation parks;
 - (e) nature reserves?
- (3) When will legislation be introduced to establish conservation parks?
- (4) As in the 1988 CALM document, "Implementing the Timber Strategy", it states that, "fifty percent of the forest will be managed with a priority for conservation" -
 - (a) would the Minister indicate the location and area of karri forest managed for conservation other than national parks, conservation parks and nature reserves;
 - (b) (i) has logging taken place in any of the areas specified in (a);
(ii) if so, what is the total area logged and when did the logging take place;
 - (c) is logging currently taking place in any of the areas specified in (a);

- (d) is logging proposed for any of these areas at any time during the ten-year life of the timber strategy (1988-1998)?

Mr PEARCE replied:

- (1) The area of karri forest in the various tenures at 30 June 1989 was -

- (a) Approximately 9 000 hectares.
 (b)-(c) Approximately 128 000 hectares.
 (d) Approximately 37 000 hectares.
 (e) Nil.
 (f) Approximately 300 hectares.

NOTE: (i) "Crown land" figure is karri forest not otherwise classified.

- (ii) Currently, "conservation park" is not an official tenure category.

- (2) (a)-(b) 121 000 hectares.

- (c) 50 000 hectares.
 (d) 1 000 hectares.
 (e) 2 000 hectares.

- (3) Legislation was introduced in the last session of Parliament. A Bill to amend the Conservation and Land Management Act is currently on the Notice Paper.

- (4) (a) State forest and Crown land

- (b) (i) Yes.
 (ii) Karri State forest is logged and regenerated every year as part of multiple use management. The areas involved for the last five years are as follows -

1988	1 180 hectares
1987	1 311 hectares
1986	1 094 hectares
1985	1 530 hectares
1984	2 120 hectares

- (c)-(d) Yes.

SAWLOGS - ANNUAL PRICE INCREASE

Consumer Price Index - Timber Price Index

870. Mr KIERATH to the Minister for the Environment:

- (1) Has the annual increase in the price of sawlogs in the past been based on the Consumer Price Index?
 (2) Has the basis for the increase in the price of sawlogs been changed from the Consumer Price Index to the Timber Price Index?
 (3) Is the Timber Price Index now lower than the Consumer Price Index?
 (4) Is the reason for the change of indices that the Timber Price Index is less than the Consumer Price Index?
 (5) Would the Minister table the current royalties for all types of sawlogs and residue sold by the Department of Conservation and Land Management?
 (6) What are the target royalties proposed by CALM for all types of sawlogs and residue sold by CALM?
 (7) On what date are the target royalties to be achieved?

Mr PEARCE replied:

The answer was tabled.

[See paper No 346.]

FORESTY - DEAD AND GREEN JARRAH
Barrack Silicon Pty Ltd - Price Per Tonne

871. Mr KIERATH to the Minister for the Environment:

- (1) What is the current price per tonne of -
 - (a) dead jarrah;
 - (b) green jarrah;
 sold to Barrack Silicon Pty Ltd?
- (2) How much dead jarrah and green jarrah was sold by the Department of Conservation and Land Management to Barrack Silicon in 1988 and 1989?
- (3) What is the estimated cost per tonne to CALM of managing the extraction of jarrah for Barrack Silicon?

Mr PEARCE replied:

- (1) (a) \$7.00 per tonne royalty. The delivered price also includes -
 - harvesting and delivery charges, which are based on the particular contractor doing the work and the distance between the bush being harvested and the mill;
 - roading charges to cover forest road construction and maintenance. Currently \$1.84 per tonne;
 - in-forest costs to cover departmental forest operations. Currently 55¢ per tonne;
 - an administration charge to cover the financial aspects of the contract, being 7.5 per cent of the relevant contract harvesting price.
- (b) As for (1)(a).
- (2) 1988 - nil.
1989 - dead jarrah - 22 755 tonnes
green jarrah - 287 tonnes.
- (3) \$1.50 per tonne, made up of in-forest costs - 55¢ per tonne and an average of 95¢ per tonne administration costs.

LOGGING JARRAH VENEER LOGS
Production, State Forests

873. Mr KIERATH to the Minister for the Environment:

- (1) What was the last year in which veneer grade jarrah logs were produced from State forests?
- (2) What was the volume produced and the price per cubic metre?

Mr PEARCE replied:

- (1) 1977.
- (2) 87 cubic metres; \$12.29 per cubic metre. The member may care to know that there are two companies in Western Australia which produce jarrah veneer. Both companies use equipment which slices veneer from jarrah flitches (squared sections) rather than peels veneer, which uses whole logs. The companies obtain their flitches from sawmills throughout the State.

SAWLOGS - KARRI SAWLOGS, STATE FORESTS
Bunnings Ltd

874. Mr KIERATH to the Minister for the Environment:

- (1) Has Bunnings Ltd signed its contracts with the Department of Conservation and Land Management for the purchase of karri sawlogs from State forests?
- (2) If not, on what basis are karri sawlogs being supplied to Bunnings in the absence of signed contracts?
- (3) What price per cubic metre does Bunnings pay for first grade karri sawlogs from old growth forest?
- (4) If the answer to (1) is no, what price per cubic metre will Bunnings pay when it signs its contracts with CALM?
- (5) (a) Does Bunnings buy second or third grade karri sawlogs;
 (b) if so, what price per cubic metre does it pay?
- (6) Does Bunnings buy any premier grade karri sawlogs?
- (7) If yes to (6) what volume did it buy in -
 (a) the last financial year;
 (b) the current financial year to date and what price per cubic metre did it pay for each of (a) and (b)?

Mr PEARCE replied:

- (1) Yes, in April 1989.
- (2) Not applicable.
- (3) \$25.32 per cubic metre royalty for logs greater than 200mm small end diameter. Bunnings has constructed a new mill next to its existing mill at Pemberton, which enables the company to process smaller logs down to a small end diameter of 200mm or less (other mills have a diameter limit of 300mm small end diameter). The company has installed a weighbridge which obviates the need for individual log measurement. This avoids costly log segregation and reduces waste by eliminating the need to cut logs at 300mm small end diameter. All logs down to 200mm small end diameter, whether they come from old growth or regrowth forests are charged at the same royalty. In addition, the company is required to pay to have the timber harvested and delivered.

The delivered price includes:

- harvesting and delivery charges, which are based on the particular contractor doing the work and the distance between the bush being harvested and the mill;
 - roading charges to cover forest road construction and maintenance. Currently \$2.61 per cubic metre;
 - in-forest costs to cover departmental forest operations. Currently \$1.35 per cubic metre;
 - an administration charge to cover the financial aspects of the contract, being 7.5 per cent of the relevant contract harvesting price.
- (4) Not applicable.
 - (5) (a) Yes.
 (b) Second grade karri sawlogs - none purchased.
 Third grade karri sawlogs - royalty \$12 per cubic metre. In addition, all the other components of the delivered price outlined in (3) above.
 - (6) No. The reason for this is that the company was not successful in the recent tender for premium grade logs.

- (7) Not applicable.

LOGGING - DISEASE RISK AREA

875. Mr KIERATH to the Minister for the Environment:

- (1) What area has been logged in the disease risk area (formerly known as the dieback quarantine area) in each of the calendar years 1986-1989?
- (2) What volume of -
 - (a) sawlogs,
 - (b) chiplogs,
 - (c) jarrah;
 for the silicon smelter has been removed from the disease risk area in each of the calendar years 1986-1989?
- (3) Why was the name changed from dieback quarantine area to disease risk area?

Mr PEARCE replied:

- (1)

1986	-	11 100 hectares
1987	-	7 900 hectares
1988	-	11 800 hectares
1989	-	8 100 hectares
- (2) (a)-(b) Nil.
- (c)

1986	-	nil
1987	-	nil
1988	-	nil
1989	-	12 613 tonnes

The calculation of amount supplied to Barrack Silicon is by weight rather than by volume.

- (3) Amendments made to the Forest Act in 1974 (No 77 of 1974) provided for the declaration of disease areas where the conservator considered that a particular area was infected with a forest disease, and disease risk areas where the conservator considered that an area of land may be or may become infected with a forest disease. Such areas may be declared as either a "Forest Disease Area" or a "Forest Disease Risk Area" by proclamation.

The intent of the legislation was to recognise areas that were at risk from becoming infected with dieback, or were affected by dieback, hence the correct nomenclature has always been "Disease Risk Area" and not the colloquial terms "Dieback Quarantine Area" or "Quarantine".

SAWLOGS - MARRI

State Forests

876. Mr KIERATH to the Minister for the Environment:

As the 1988 Timber Strategy (page 39) projects that 30 000 cubic metres of marri sawlogs will be available from State forests every year from 1987 to 1997 -

- (a) why were only 16 795 cubic metres of marri sawlogs produced in 1988-89;
- (b) was the Department of Conservation and Land Management's estimate of 30 000 cubic metres of marri sawlogs available annually incorrect;
- (c) (i) were 13 205 cubic metres of marri sawlogs chipped in 1988-90;
(ii) if not, what happened to them;
- (d) why has the price of first grade marri sawlogs been reduced from \$14.72 to \$12 per cubic metre from 1 January 1990 when the prices of all other sawlogs have been increased?

Mr PEARCE replied:

- (a) The log quality of marri is very variable. Until recently there were only two or three millers specialising in marri. Market development for marri sawn timber in Western Australia has been inhibited by the availability of large quantities of high quality jarrah and karri sawn timber. The department was only able to market 16 795 cubic metres of logs as sawlogs in 1988-89.
- (b) When the timber strategy was written CALM made an estimate that in the short term 30 000 cubic metres per annum of marri should be capable of being marketed as sawlogs. CALM still feels that marri is an underrated species and an increasing amount of marri should be marketed as sawn timber in the future.
- (c) (i) A marri log is only a marri sawlog when a sawmiller is prepared to purchase and mill it. In 1988-89, 463 989 cubic metres of marri logs were chipped.
- (ii) The 13 205 cubic metres of marri that the member obtained by calculation were not recognised as sawlogs by the timber industry and would have been delivered to the Diamond mill as chiplogs. WACAP, the owners of the Diamond mill, do recover sawn flitches from their log intake.
- (d) During the general review of royalties carried out in 1989, it was decided to combine the previous royalty classes for first and second grade marri into a single royalty class. The royalty for second grade marri was increased from \$10.50 per cubic metre to \$12 per cubic metre, which then became the single royalty for marri. The \$14.72 per cubic metre which was the royalty previously applying for first grade marri sawlogs was deleted. The reason for this decision was partly to give an incentive to the timber industry to purchase and mill a greater amount of the marri. A second reason was because it is very difficult to write log specifications which can be applied consistently in the field to segregate marri logs of variable quality. Once a marri log has been cut longitudinally in a mill, the presence or absence of timber that can be marketed as sawn timber can be determined with far greater accuracy.

SAWLOGS - NATIONAL PARKS

Legal and Illegal Removal

877. Mr KIERATH to the Minister for the Environment:

- (1) Did the regional manager of the Department of Conservation and Land Management at Manjimup, Mr Alan Walker, admit in 1986 that sawlogs have been removed legally and illegally from national parks for the last 25 years?
- (2) Would the Minister advise in relation to -
 - (a) legal;
 - (b) illegal,
 removal of sawlogs -
 - (i) the names of each park from which they were removed;
 - (ii) the dates of removal of sawlogs from each park;
 - (iii) the location of logging in each park;
 - (iv) the number of hectares logged in each park;
 - (v) the volume of sawlogs and chiplogs removed from each park?
- (3) (a) Has any individual, firm, company or officer employed by the former Forests Department or CALM ever been penalised or prosecuted in relation to illegal removal of sawlogs from national parks;
- (b) if so, please provide details including the date, park, area logged, volume of sawlogs removed, name of individual, company, firm or officer concerned and the penalty imposed?

- (4) On what basis has the removal of sawlogs from national parks been legal?
- (5) In the current amendments to the CALM Act, is it proposed to legalise the removal from national parks of logs of native species for commercial purposes?

Mr PEARCE replied:

- (1) Yes. Mr Walker recalls having verbally indicated that legal removal of sawlogs had occurred in national parks in two main areas -
 - Areas which subsequently became national park, which had been logged while previously under a different land tenure, for example, State forest or vacant Crown land.
 - National parks in which the former National Parks Authority or the relevant local National Park Board had approved logging for a variety of purposes, such as road construction, salvage of wind blown trees, removal of hazardous trees.

It was not illegal to cut timber in national parks prior to 1985.

- (2) (a) (i) Parks in CALM's Southern Forest region where legal logging took place prior to the CALM Act in 1984 were -

Shannon
D'Entrecasteaux
Mount Frankland
Beedelup
Warren
Sir James Mitchell
Walpole
National parks vested in the Shire of Manjimup

(ii)-(v)

Exact dates, locations, areas and volumes of logs cannot be provided because either accurate records were not kept by the National Parks Authority or local National Parks Boards or are not now available.

(b) (i)-(v)

It was not illegal to remove sawlogs from national parks before the CALM Act 1984. The recent accidental removal of dead and dangerous trees in the Shannon National Park is not logging in the sense of timber production and therefore is not considered "illegal".

- (3) (a) No.

(b) Not applicable.

- (4) There is no expressed power in the CALM Act to harvest timber in national parks. In addition, under section 88 the executive director may grant permits and licences and contract for the sale of forest produce only in respect of Crown land as defined in section 87. National parks and nature reserves are not included in that definition. Prior to the CALM Act 1984, there was no impediment to the removal of logs commercially from a national park.

- (5) No. Clause 37 of the Bill section 99A(i)(c) proposes to allow essential works to be undertaken to remove and sell forest produce, namely trees. The "essential works" are defined in 99A(2) and do not include commercial operations. Proceeds from the sale of such timber is outlined in a proposed amendment to section 69 by inserting a new subsection 69(2). The money will be deposited in a trust fund to be used only on conservation reserves.

REGIONAL PARKS - ESTABLISHMENT

879. Mr KIERATH to the Minister for the Environment:

- (1) How many regional parks have been established in Western Australia?

- (2) What regional parks are under consideration at the present time?
- (3) When will the Government clarify its intentions with regard to the planning, administration and financing of regional parks?
- (4) When does the Government intend to introduce the regional parks legislation which it promised prior to the 1989 State election?
- (5) Is there a Cabinet task force working on this subject at present?
- (6) When does the Minister expect to receive its report?
- (7) What is being done in the meantime to prevent further erosion of proposed regional parks such as Port Kennedy, Buckland Hill, Casuarina and Leda?
- (8) What developments are occurring in regard to the establishment of the proposed Jandakot botanical park?

Mr PEARCE replied:

- (1) In the sense of a formal land category the answer is none. However, there are many areas informally known as regional parks (see below).
- (2) Regional parks currently proposed to be made official are at Whiteman Park, Herdsman Lake, Woodman Point, Port Kennedy, Canning River Wetlands, Swan River, Beeliar Wetlands, Lakes Joondalup and Goollelal (Yellagonga), Rockingham Lakes and Darling Escarpment. Planning studies have been approved by the Government for the Canning River Regional Park, are subject to public review for the Beeliar Regional Park and are in preparation for the Yellagonga Regional Park.
- (3) The Government will clarify its position regarding the planning, administration and financing of regional parks following consideration of the Cabinet task force group's report now nearing completion.
- (4) During the Government's current term of office.
- (5) Yes, see answer (3).
- (6) During July 1990.
- (7) The Department of Agriculture has recently established a Land Conservation District (LCD) at Port Kennedy. The Department of Conservation and Land Management (CALM) has been invited to membership of the LCD advisory committee. There are not as yet proposed regional parks at Buckland Hill, Casuarina and Leda although their merits as regional parks or some other appropriate classification will receive consideration by the Department of Planning and Urban Development (DPUD).
- (8) Agreements have been reached between CALM, the Department of Planning and Urban Development and the Western Australian Conservation Council on an appropriate core area for the Jandakot Botanic Park. The Department of Planning and Urban Development has indicated its intention to fund the acquisition of additional lands on an agreed priority basis using its metropolitan regional improvement fund. The botanic park's status as a regional park will subsequently be evaluated by CALM.

LAND - KENWICK SWAMP SYSTEM 6 AREA M69
University of Western Australia Disposal

882. Mr KIERATH to the Minister for the Environment:

- (1) Is the University of Western Australia planning to dispose of the System 6 area M69, also known as Kenwick swamp?
- (2) Is the Department of Conservation and Land Management attempting to acquire this valuable area?
- (3) What action has the Minister taken to implement recommendation M69.3 of the System 6 report which advocates retention of the buffer zone around Kenwick swamp via planning controls?

Mr PEARCE replied:

- (1) I am advised that the university is considering the future of this land.
- (2) Yes. There have been discussions between the university and the Department of Conservation and Land Management regarding this possibility.
- (3) This is a planning matter; I am not aware of any action being taken on that recommendation.

TRUSTEES - AUTHORISED TRUSTEE INVESTMENT STATUS

884. Mr MacKINNON to the Minister for Justice:

- (1) What is the Government's position as to the criteria for awarding trustee status to a business?
- (2) Is the Government considering implementing a rating system for trustee status along the lines of New South Wales and Victoria?
- (3) What would be the perceived costs and benefits of such a system?

Mr D.L. SMITH replied:

- (1) The criteria for awarding authorised trustee investment status are contained in sections 16 and 16A-D of the Trustees Act.

(2)-(3)

On 7 November 1988, the then Premier announced a review of the provisions of the Trustees Act which set out criteria companies must meet for authorised trustee investment status. In accordance with that announcement, a committee was formed with representation from the Treasury, the Public Trust Office, the Corporate Affairs Department, the Crown Solicitor's Office and the Registrar of Cooperative and Financial Institutions, to review the provisions of the Trustees Act which dealt with trustee status for companies. The Government is presently considering the Committee's recommendations.

STAMP ACT - REVIEW

887. Mr MacKINNON to the Minister for Finance and Economic Development:

- (1) Has the Government completed its review of the Stamp Act in respect of both the imposition of duty and the administration of its collection?
- (2) If so, when was the review completed?
- (3) Will the result of the review be made public?
- (4) If not, why not?
- (5) If the report has not been completed, when is it anticipated it will be finalised?

Mr TAYLOR replied:

- (1) No.
- (2) Not applicable.
- (3) Yes.
- (4) Not applicable.
- (5) The report has been considerably delayed by the late receipt of a number of major invited submissions, some of which are still outstanding. A wide range of issues have been raised in the submissions and it will take some time to address all of these if the appropriate analysis is to be undertaken. At this stage, it is hoped the review will be completed before the end of the year.

SAWMILLS - TARGET ROYALTIES

892. Mr HOUSE to the Minister for the Environment:

- (1) Does any sawmill in Western Australia pay less than the target royalty?
- (2) If yes, why?
- (3) What are the recovery rates of structural grade timber from first grade old growth sawlogs from individual mills for the years -

- (a) 1987-88;
 - (b) 1988-89;
 - (c) 1989-90?
- (4) In relation to timber sold as small sawlogs under contract 173 of 1985 for \$23.60, can the Minister show the price changes to arrive at the current royalty of \$14.24?
- (5) In relation to the Minister's answer to my question 648(4) of 1990, does the Minister believe that massive capital investment improves recovery of sawn timber?

Mr PEARCE replied:

- (1) Yes. All mills which had an allocation of sawlogs under the terms of the timber strategy.
- (2) A general review of royalties was carried out in 1986 which set target royalties for each species of timber and grade of log. In 1989 the Government requested that a further general review of royalties be carried out. New target royalties were approved by the then Minister. Because increases in each case were substantial, a policy to phase in the increases was adopted. All mills will be paying the target royalty for the species and grade of log that they are purchasing by 1 January 1992. The appropriate target royalty is used as the upset royalty in any tender or auction.

CALM has prepared a briefing paper 2/90 which outlines the most common questions and answers which are asked by the public. A copy is tabled. I have also asked the executive director of the department, Dr Syd Shea, to forward a copy to each member of Parliament. Because there has been some recent publicity regarding timber royalties, I hope the briefing paper will be of value to members in responding directly to questions they may receive from their constituents.

[See paper No 347.]

- (3) (a)-(c) The statistics collected by CALM from individual sawmillers do not provide data regarding recovery rates of particular grades of timber from particular grades of logs. It is not practicable to separate the volume of sawn timber produced from different log grades because many mills concurrently process different log grades.
- (4) Contract 173 was an open tender in 1985 which offered for the first time a quantity of small regrowth karri sawlogs. The tender was called in two parts. Part A was for logs with a small end diameter of greater than 200mm, while part B was for logs with a small end diameter between 150mm and 200mm. At the time, the minimum nominal small end diameter for karri sawlogs was 300mm. However, in practice, the diameter cut off limit was something higher than this figure. It was unheard of that such small logs could be processed into sawn timber for anything other than tile battens at that time. The tender resulted in a new mill being built at Pemberton which is now successfully processing part A logs. Subsequently, a further public sale resulted in higher royalties and a second new mill which is now nearing completion at Greenbushes. A company operating an existing mill producing tile battens, has also spent more than \$1 million in upgrading because, as a result of the Government's timber strategy, it was able to negotiate a long term contract.

Similarly, the conversion of small jarrah logs has also received attention and the revolutionary VALWOOD process and the CALM drying system have been developed by CALM officers. This process offers immense scope to process small hardwood logs, not only in Western Australia, but interstate and overseas. Unfortunately, in his question the member has confused the royalty for part A logs with the royalty for part B logs in contract 173. The part B

royalty was \$13.30 per cubic metre which has subsequently indexed to \$14.24 per cubic metre. The part A logs have now been included as first grade logs and a composite royalty of \$25.32 per cubic metre now applies for all logs greater than 200mm small end diameter delivered to the Pemberton mill.

- (5) Yes, in most cases. My lengthy answer to the previous parts of this question indicates that, prior to the millions of dollars that have been invested by timber companies to process small logs from karri regrowth forests, there was no recovery of sawn timber for general purposes from these logs. Since 1979-80 when thinning of the regrowth karri forest commenced, a total of almost 350 000 cubic metres of thinnings were chipped. In 1988-89, 43 840 cubic metres of karri regrowth thinnings were put through sawmills, a success story of which I am justly proud.

BELL GROUP CONVERTIBLE BONDS - STATE GOVERNMENT INSURANCE COMMISSION
Current Market Value

897. Mr MacKINNON to the Minister for Finance and Economic Development:

- (1) What is the current market value of the Bell Group convertible bonds with a face value of \$150 million held by the State Government Insurance Commission
- (2) Have any attempts been made to sell these bonds?
- (3) If yes, what was the result?
- (4) If no, why not?

Mr TAYLOR replied:

- (1) The last valuation received by the State Government Insurance Commission valued the Bell Group Ltd convertible notes at \$108 million. As these convertible notes are not listed on a Stock Exchange the valuation of those securities is being undertaken at 30 June 1990 for inclusion within the annual accounts and financial statements which are subject to audit by the Auditor General.
- (2) No.
- (3) Not applicable.
- (4) It has not been considered appropriate to do so and are retained as forming part of a long term fixed interest portfolio. All interest payments due on these convertible notes have been met within the specified dates of the trust deed.

HOSPITALS - ST JOHN OF GOD HOSPITAL
Murdoch University Adjacent Site

899. Mr MacKINNON to the Minister for Health:

- (1) Has a final decision been made on the site of the St John of God Hospital to be located adjacent to the Murdoch University?
- (2) If so, what is the size of the site?
- (3) What is the exact location of the site?
- (4) When is it likely that work will commence on the site?

Mr WILSON replied:

- (1) Yes, a site has been selected and negotiations for the purchase of the land by St John of God Hospital are currently being finalised.
- (2) Approximately 12 hectares.
- (3) The area has yet to undergo a final survey but the location is generally in the north west corner of the site, bounded by South Street and Murdoch Drive, and adjacent to a wetlands reserve (3.3 hectares).
- (4) At the present time, the project is in the planning stage. The time frame for

work to commence on the site will be contingent on St John of God Hospital's progress with regards to design and documentation.

POLICE STATIONS - NORTH OF THE RIVER, METROPOLITAN AREA

905. Mr MENSAROS to the Minister representing the Minister for Police:

Could the Minister list the police stations in the metropolitan area north of the river?

Mr TAYLOR replied:

Metropolitan police stations north of the river - Bayswater, Inglewood, Innaloo, Maylands, Morley, Mt Hawthorn, Nollamara, North Perth, Scarborough, Lockridge, Central, City, Claremont, Cottesloe, Leederville, Nedlands, Subiaco, Wembley, Wanneroo and Warwick.

LOTTERIES - INSTANT LOTTERIES INCOME

906. Mr MENSAROS to the Minister for Racing and Gaming:

- (1) What are the amounts representing the total annual income from instant lotteries in the financial years -
 - (a) 1985-86;
 - (b) 1986-87;
 - (c) 1987-88;
 - (d) 1988-89?
- (2) What are the amounts allocated to -
 - (a) sport;
 - (b) culture;
 - (c) other purposes;
 during the years in (1) above?

Mrs BEGGS replied:

- (1) The total annual income from Instant Lotteries for the following years are -

(a)	1985-86	\$35.0 million
(b)	1986-87	\$40.5 million
(c)	1987-88	\$49.5 million
(d)	1988-89	\$53.0 million

- (2) The amounts allocated for the financial years are -

	1985/6	1986/7	1987/8	1988/9
(a) Sport	\$3.0m	\$3.0m	\$3.0m	\$3.0m
(b) Culture	\$3.0m	\$3.0m	\$3.0m	\$3.0m
(c) Hospital Fund	\$2.9m	\$4.1m	\$4.9m	\$5.6m
(d) America's Cup	\$0.7m	\$1.3m	-	-
	\$9.6m	\$11.4m	\$10.9m	\$11.6m

COMMONWEALTH SCIENTIFIC INDUSTRIAL RESEARCH ORGANISATION - LEACH STREET SITE, MARMION *Bulldozing*

908. Mr HOUSE to the Minister for Fisheries:

- (1) Can the Minister confirm that all the bulldozing of trees and scrubs on the Commonwealth Scientific Industrial Research Organisation site at Leach Street, Marmion is in preparation for the proposed aquarium?
- (2) Can the Minister assure the House that no bulldozing will be permitted to be carried out on the remainder of the site until -
 - (a) zoning is altered to residential;
 - (b) the time for appeals against such recovery has expired?

Mr GORDON HILL replied:

- (1) The addition to the CSIRO facility to be built in Leach Street is to assist with its seagrass research.
- (2) I recommend that my ministerial colleague, Hon Kay Hallahan, Minister for Planning, be consulted on this matter.

SOUTHERN DISTRICTS THOROUGHBRED ASSOCIATION - GOVERNMENT ASSISTANCE

910. Mr BRADSHAW to the Minister for Racing and Gaming:

- (1) Has the Government lent any money to the Southern Districts Thoroughbred Association?
- (2) If so, how much?
- (3) Under what conditions was that money lent?
- (4) Are those conditions being fulfilled?

Mrs BEGGS replied:

- (1) Yes.
- (2) \$500 000.
- (3) An interest free loan to be repaid in 10 equal annual instalments commencing on 1 July 1990.
- (4) Yes.

McCUSKER INQUIRY - GOVERNMENT DOCUMENTS

912. Mr COURT to the Premier:

- (1) Is the Government co-operating with the McCusker inquiry in ensuring that all Government documents asked for are provided?
- (2) If no, what documents has the Government refused to supply to this inquiry?
- (3) Why were these requests refused?

Dr LAWRENCE replied:

- (1) Yes.
- (2)-(3) Not applicable.

ROADS - GRANTHAM STREET, FLOREAT PARK *Grading Changes*

916. Mr MENSAROS to the Minister for Transport:

What is the reason for proposing to change the grading of parts of Grantham Street, Floreat Park?

Mrs BEGGS replied:

As this matter is the responsibility of the Perth City Council, the member is requested to refer his question to the council.

BUSES - BUS LANE, KWINANA FREEWAY *Utilisation Statistics*

919. Mr McNEE to the Minister for Transport:

- (1) Would the Minister provide a summary of utilisation statistics for the recently completed bus lane on the Kwinana Freeway?
- (2) In view of the expense of providing this facility and its apparent less than optimal utilisation, would the Minister investigate the possibility of extending access to this facility to private vehicles carrying three or more people and report the findings to the Parliament?

Mrs BEGGS replied:

- (1) More than 80 buses use the Kwinana Freeway bus lane into the city each morning, carrying collectively 4 800 passengers. During the peak 60 minutes, some 60 buses use the lane carrying a total of 3 500 passengers.
- (2) No. The capacity of a general traffic lane on the freeway is approximately 2 000 cars per hour. At 1.2 persons per car on average, a general traffic lane has a lower utilisation in terms of moving people than the bus lane. With the continuing increase in bus patronage it is necessary to maintain the lane for buses only as the Kwinana Freeway exclusive bus lane will become an even more important part of Perth's successful public transport rejuvenation.

**ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION -
DESCENDANTS**

Recreation and Sport Funding

920. Mr KIERATH to the Minister for Sport and Recreation:

- (1) Is the Minister aware that Western Australian children of Aboriginal and Torres Strait Islander descent can apply to the Aboriginal and Torres Strait Islander Commission for Federal funding for recreational and sporting purposes?
- (2) Is it the case that no similar funding is available for children of non-Aboriginal descent?
- (3) Is the Minister aware that this puts non-Aboriginal children and their families at an advantage over other children who have to raise their own funds for sporting events?
- (4) What does the Western Australian Government intend to do about sporting subsidies for non-Aboriginal children from this State?

Mr GORDON HILL replied:

- (1) Yes.
- (2) No.
- (3) Not applicable.
- (4) The Western Australian Government provides a range of programs to assist sporting organisations which cater for all children.

AGED - WESTERN AUSTRALIAN RESIDENTS

Over 60 Years Old

924. Mr NICHOLLS to the Minister representing the Minister for The Aged:

How many people over the age of 60 years live in Western Australia and how many -

- (a) are female;
- (b) are living alone;
- (c) reside in their own home;
- (d) are living in Homeswest accommodation;
- (e) are relying solely on social security pensions for an income;
- (f) are senior card holders;
- (g) are still actively employed in a wage earning capacity?

Mrs BEGGS replied:

At the time of the 1986 census there were 183 724 people over the age of 60 years living in Western Australia and I refer the member to the Australian Bureau of Statistics for questions (a)-(e) and (g).

- (f) At 21 June 1990 there were 111 938 Seniors' Card holders.

QUESTIONS WITHOUT NOTICE

CONSERVATION COUNCIL - FOREST MANAGEMENT AND INDUSTRIES INQUIRY

180. Mr MINSON to the Minister for the Environment:

- (1) What is the Minister's response to the Conservation Council of Western Australia's call for an inquiry into forest management and the forest industries?
- (2) Would he also indicate whether the Conservation Council is aware of the Resource Assessment Commission's current nationwide inquiry into forest management and the forest industries in Australia, and what is the Western Australian Government's response to the RAC inquiry?
- (3) Would he give some indication of the cost of an inquiry of the nature proposed by the Conservation Council?

Mr PEARCE replied:

- (1) I thank the member for some notice of the question. When the Conservation Council of Western Australia, along with other environmental groups, held a Press conference on the day after the "Four Corners" program, it called for a full inquiry - a Royal Commission according to one report - into the restructuring of the Department of Conservation and Land Management in a way that would divide its operations among three departments; these departments would include the Department of Agriculture. It also called for the restructuring of the forest industry.

I indicated straight after that Press conference that the Government would not be instituting an inquiry into the forest industry on the basis of the "Four Corners" report because, as I have told members previously, we saw no reason, evidence or information within the report which would lead us to hold such an inquiry. I said at the same time that I was not proposing to reconstitute CALM in the way in which the Conservation Council and others had asked; in fact, I was not proposing to reconstitute the department at all. I remind members that the original CALM Act contains a five-year review clause, which I understand expires at the end of this year. Therefore, a normal statutory review of CALM will take place. I do not expect anything dramatic to arise from this although all submissions will be taken into account; however, I do not expect that CALM will be dismembered in the way in which the Conservation Council is asking.

- (2) I would have thought that the Conservation Council would be well enough informed to be aware that the Federal Government has established a Federal Resource Assessment Commission. Its main job is to assess resources in Australia, including environmental resources, in a way to seek to avoid conflict in such areas as the forest industry. The conflict in this industry has marred the Eastern States and some people are seeking to have it mar the Western Australian industry. The State Government has strongly supported not only the setting up of the Resource Assessment Commission, but also its operation and its inquiries into forest resources. The Government has made a comprehensive submission to the commission which was largely prepared by CALM and also involved input from officers of my department. I have a copy which I am happy to table to make available to members if they are so interested.
- (3) It is difficult to assess what would be involved in an inquiry of the kind asked for by the Conservation Council. However, if one was to have an inquiry on the scale that it is seeking, and if the Government was to accede to the request that would come from that body to fund the work, I suspect that little change would be left from a million dollars. I seek leave to table a copy of the State submission to the Federal Resource Assessment Commission.

[See paper No 348.]

TAXES AND CHARGES - CPI INCREASE CONTRIBUTION

Deputy Premier's Statement

181. Mr DONOVAN to the Minister for Finance and Economic Development:

Could he confirm his statement in the House today that over the past 18 months Western Australia's State and local government taxes and charges have contributed less than 0.1 of a percentage point to the increases in the Perth CPI over that period?

Mr TAYLOR replied:

When I made the remark earlier today the Leader of the National Party thought it may have been inaccurate. I asked Treasury to check the situation. The results in terms of the contribution to the increase in CPI as a result of Western Australian State and local government taxes and charges over recent quarters are as follows: From 1 December 1988 the quarterly increase was 0.09 per cent; the March 1989 quarter had an increase of 0.02 per cent; the June 1989 quarter had an increase of 0.01 per cent; the September 1989 quarter had an increase of 0.16 per cent; the December 1989 quarter had an increase of 0.15 per cent; and the March 1990 quarter had a minus 0.11 per cent variation. Over that period the average was a 0.053 per cent increase. That is a remarkable effort in any circumstances on the part of the State Government of Western Australia.

This approach contrasts with the performance of the previous Liberal Governments - the figures are unbelievable. Over the last three years of the previous Liberal Government the taxation and charges increase was at an average rate of 20.7 per cent, which was twice the rate of inflation.

PETROCHEMICAL PROJECT - GOVERNMENT PAYMENTS

182. Mr COWAN to the Minister for Finance and Economic Development:

- (1) Has the Western Australian Government, or any of its agencies including WA Government Holdings Ltd, made any payments to the failed petrochemical project or to the liquidator of Petrochemical Industries Ltd since the Supreme Court appointed the liquidator?
- (2) If so, to whom were the payments made and for how much?
- (3) If not, is it anticipated that any additional payments will be made to the liquidator?
- (4) What is the estimated cost of liquidating Petrochemical Industries Ltd?
- (5) When does the Government expect the job of liquidating Petrochemical Industries Ltd to be completed?

Mr TAYLOR replied:

I am advised in the following manner -

- (1) No.
- (2) Not applicable.
- (3) No.
- (4) Approximately \$1 million.
- (5) We expect the job to be completed by early 1991.

BIOTECHNOLOGY PARK - SOUTH WEST

183. Mr P.J. SMITH to the Deputy Premier:

Can he clarify the situation over the location of a biotechnology park in the south west of the State?

Mr TAYLOR replied:

Earlier this week I received a copy of a media release put out by the member for Wellington in relation to this issue in which he had the audacity to state -

The Deputy Premier has indicated in State Parliament in answer to a question by the member for Wellington . . . that he is prepared to look at siting the proposed Bio Tech Park for Fremantle in the South West.

I suggest to the member for Wellington that when he asks a question in this place he should not only listen to the answer given, but also - before he fabricates Press releases such as the one to which I have referred - he should check *Hansard* in relation to the answers given because if he did that he could not release such statements. I indicated in answering a question the other night that if the people of the south west would like to see a biotechnology park established in the south west, I would be more than happy to help members in the area - including the member for Wellington, if that is the case - to bring that to fruition. At no stage did I say that that would be done at the expense of a biotechnology park in Coogee as was indicated in the Press release. I will have pleasure in pointing that out to members of the Press.

STATE ENERGY COMMISSION - POWER CHARGES INCREASE

184. Mr COURT to the Minister for Fuel and Energy:

- (1) Why must SECWA increase its power charges by 7.9 per cent at a time when the Collie mines have increased productivity levels and fierce competition is taking place between suppliers of gas and coal?
- (2) With this increase putting WA power tariffs even further out of kilter with the other States, what steps will the Government take to bring them back into line with the other States?

Mr CARR replied:

(1)-(2)

A number of points should be made in answer to the question. The cost of producing power is related not only to the factors referred to by the member for Nedlands, but also to a range of different issues, not the least of which is the historical cost for which the member's party was largely responsible when in Government. However, the Government is seeking to address all the matters relating to the cost of producing power in this State in the most comprehensive way. It has been pleased to note that there have been considerable improvements in the efficiency of the State Energy Commission of Western Australia. Notwithstanding that, the Government has seen fit to set the charges at the level which it hopes will best accommodate the finances of SECWA. As the member well knows, the finances of SECWA are very much influenced by its enormous debt structure. In the past the practice has been to add to that debt. As part of its attempt to make itself efficient SECWA is determined as far as possible to undertake its capital developments out of its own income instead of adding to its enormous debt structure.

TRAFFIC CONGESTION - CALEDONIAN AVENUE-RAILWAY PARADE, MAYLANDS

185. Dr EDWARDS to the Minister for Transport:

Can the Minister inform the House of plans and a timetable to ease traffic congestion between Caledonian Avenue and Railway Parade, Maylands, at the Caledonian Avenue railway crossing?

Mrs BEGGS replied:

I am pleased to inform the member that the City of Stirling is currently arranging the relocation of services in preparation for channelisation modifications which will eventually accommodate traffic signals at the intersection of Caledonian Avenue and Whatley Crescent adjacent to the railway crossing. The works are expected to be completed in October this year.

STATE SCHOOL TEACHERS UNION - MEMORANDUM OF AGREEMENT
Industrial Relations Act Section 66 Applications

186. Mr STRICKLAND to the Minister for Education:

- (1) Is the Minister aware of the two applications by a senior teacher and a deputy principal pursuant to section 66 of the Industrial Relations Act currently before the President of the Western Australian Industrial Relations Commission, in relation to the current memorandum of agreement?
- (2) Can the Minister confirm whether the outcome of the hearings has a bearing on the validity of the April 1990 memorandum of agreement?

Dr GALLOP replied:

- (1) Yes, I am aware of that application.
- (2) I think the answer is no because as I understand it section 66 applications can deal with the rules that the union follows in these matters, but they cannot deal with matters relating to the wage agreement. Inasmuch as the processes followed by the union in negotiating with the Government in reaching agreement are concerned, obviously that application has implications for the wage agreement. My advice is that section 66 does not apply in respect of the actual material in the wage agreement and that will have to be dealt with in the normal course of the industrial process. Therefore, in respect of the processes followed by the union and the agreement reached by the Government it appears there is an issue to be answered. In relation to the content of the wage agreement it is my understanding that the answer is no.

ELECTRICITY - CHARGES INCREASE
Excess Electricity

187. Mr HOUSE to the Minister for Fuel and Energy:

- (1) We have been advised that electricity charges have been increased by 7.9 per cent. Does that increase apply to tariffs for excess electricity charges?
- (2) If not, what is the rate of increase for those excess charges?
- (3) What increases, if any, have been applied to fixed charges?

Mr CARR replied:

- (1)-(3)
 I am somewhat uncertain what the member means by the term "excess electricity". He is probably referring to excess water where a consumer is entitled to a certain quota and he pays an additional amount for excess water. With electricity there is no such quota -

Mr House: Farmers pay a household tariff and have an allocation for an amount termed as a business amount. I may have used the wrong terminology, but it is the same principle.

Mr CARR: The member has raised an aspect of electricity charges with which I am not entirely familiar. The main point is that tariff charges have increased by a set amount. The member has raised a matter about a particular tariff and I will need to give him a considered answer because I am not sure of the exact answer.

R & I BANK - ANNUAL ACCOUNTS TABLING

188. Mr MacKINNON to the Minister for Finance and Economic Development:

- (1) When will the Minister table the annual accounts of the R & I Bank?
- (2) Is there any reason that they will not be released and tabled in the immediate future; that is, during this session of Parliament?

Mr TAYLOR replied:

- (1)-(2)
 The accounts of the R & I Bank will be tabled in the normal run of events as far as the bank is concerned. I have not yet received the accounts of that bank

and no doubt as soon as I do, they will become available to this Parliament. There is no reason to think otherwise.

DRAKE, MR TONY - MILLING LOGS CLAIM

189. Mr BRADSHAW to the Minister for the Environment:

- (1) Has the Minister's department investigated the claims by Mr Tony Drake that he can recover 60 per cent from milling logs?
- (2) If not, will he have the claim investigated?

Mr PEARCE replied:

(1)-(2)

There has not been an investigation by the Department of Conservation and Land Management of those claims. The position with Mr Drake is that he bid at an auction for a small number of premium grade saw logs. He paid a substantial price for seven of them. On the basis of those seven logs Mr Drake is claiming, from an unsupervised exercise he undertook, that he is able to recover around 60 per cent of that as sawn timber. He is claiming it represents a 50 per cent increase on what Bunnings can do. I have already referred to the simplistic nature of those figures, although it is not impossible that someone might come close to a 60 per cent recovery of premium grade logs by the kind of hand treatment that Mr Drake appears to have used. It is not possible for CALM to assess that claim because the timber has been disposed of by way of contract - it either takes Mr Drake's word for it, or it does not. I have discussed with the Executive Director of CALM the possibility of having a more supervised trial for Mr Drake or anyone else in regard to what their capacity of recovery is in comparison with other areas of the industry. It is a complex business and I am not sure such a trial would prove anything in terms of the way in which the industry operates. However, I have indicated I am prepared to consider a more supervised trial of recovery rates to see whether there are ways in which either small or large mills may strike a greater level of efficiency.

STATE SCHOOL TEACHERS UNION - MEMORANDUM OF AGREEMENT

Ratification Deadline

190. Mr FRED TUBBY to the Minister for Education:

- (1) Is there a deadline for the ratification of the memorandum of agreement between the Ministry of Education and the State School Teachers Union?
- (2) If so, what is the deadline?
- (3) Does the Minister intend addressing serious concerns which were raised by school guidance officers, senior teachers and deputy principals prior to this ratification?

Dr GALLOP replied:

(1)-(2)

The wage agreement with the union has actually been completed. It has now gone into the Industrial Relations Commission for treatment at that level. There is no deadline in respect of that process. Obviously part of that wage agreement was that a conclusion be reached in order that salary increases could be implemented as at 1 July. The application which has been made has held up the process and it may well be that the increases cannot flow through to teachers at the time we intended. The answer to the first question is clear; that is, it is in the commission and the Government wants to expedite its agreement with the union as quickly as possible because it believes it is a good agreement. Indeed, in talking to other States about wages and conditions pertaining to education Western Australia has done very well. Through that agreement this Government will be making a great contribution to the education system.

Mr Taylor: You have given him time to write out more questions.

Dr GALLOP: As long as the spelling is correct.

- (3) I do not know whether the new Opposition spokesperson for education is aware that we have entered a new era in which we are dealing with and working within the structural efficiency principle.

We are dealing with the work value principle. We are looking at the whole nature of work in our society. This means that in the award restructuring process relativities are being upset. It is clearly part of our wage system and it is accepted by the trade union movement and employers that relativities will be upset. This was clearly going to result from that process. It is unfortunate that relativities are upset, because people have a notion where they are situated and where they are going. If we are to improve the nature of our industrial wages system we must accept that these relativities will be upset.

Part of the wage agreement is to deal with some of the consequences of that upset in respect of workload issues for deputy principals. We are adding a number of deputy principals to the system in an attempt to alleviate some of their concerns relating to the implementation of devolution in our system. We have built into the wage agreement a package of measures so that staff on the ground in schools are properly trained to do the job. The wage agreement itself carries solutions to the problems raised by some categories of people in the education system.

I am confident that this wage agreement is, firstly, a response to that national concern over the condition of teaching in our country and, secondly, will address some of the concerns raised by particular categories of teachers such as deputy principals as its implementation is carried through. We want to see the process by which that wage agreement is accepted by our community expedited through the commission. Unfortunately, it is being held up at the moment because some elements - as they have every right to - have submitted an application dealing with the processes by which the union consults its members.

Mr Kierath: Can the Minister mention somebody who is happy with the agreement?

Dr GALLOP: Many people are happy with this agreement.

The SPEAKER: Order! So there can be no argument at a later stage, I am marking that as another question.

Dr GALLOP: It is interesting how industrial politics works. When the wage agreement was first introduced into the arena of educational politics in this State those upset by relativities were obviously the first ones to take up the cudgels. However, now the risk exists that the wage agreement may be held up and the increases that can flow through to the teaching profession will not start from 1 July, a different set of concerns is being registered in my office and at the ministry. Teachers are saying, "We want our increases. Why are they being held up?" That is the nature of industrial politics - the concerns now coming to my office are slightly different from those which came through one or two months ago.

RAILWAYS - PERTH-TOODYAY-NORTHAM COMMUTER SERVICE REPORT

191. Mr TRENORDEN to the Minister for Transport:

- (1) Is the Minister aware that a report on the viability of a commuter train for Perth-Toodyay-Northam was promised to the appropriate committee by her predecessor?
- (2) If so, is she prepared to release that report?

Mr MacKinnon: "What will I say?"

Mrs BEGGS replied:

(1)-(2)

I am not asking what I should say. The Leader of the Opposition is beyond a joke.

I understand that a committee was appointed by my predecessor into the viability of a commuter train to the area the member represents. We are now examining a report which has come to my attention and which has been addressed by Cabinet relating to the viability of a railway link to the southern suburbs. I am well aware that the member's constituents, like all people in Western Australia, look on this Government as pro rail, unlike the previous Government.

We are confident that, as the population of Western Australia grows under this Government, we will be able to provide railway services to people and places that have never had them before. If any question of the population expanding in the member's area arises, or the need for a viable train service to that area, I am sure this Government will be more than willing to address it.

Mr Trenorden: The report furnished by Westrail was promised to us on a couple of occasions but has not arrived. Why has it not arrived? Is the Minister prepared to release it?

Mrs BEGGS: The report, like a number of reports, is with me, but only so much can be done at one time.

Mr Trenorden: So the Minister is saying no?

Mrs BEGGS: No, I am saying that this Government is committed to ensuring that it provides passenger and freight rail services to as many areas as possible. As the member for Avon would know, the Federal Government is also committed to ensuring that we have a viable railway system throughout Australia. If it is at all possible to ensure a commuter railway system runs to his part of Western Australia, I am sure this Government will look at that matter favourably.

Mr Trenorden: The point is that the committee needed the report to develop its argument.

Mrs BEGGS: I am saying that one can only do so much at a time.

Mr Trenorden: The question is about that report.

The SPEAKER: Order! We could create a record here.

Mrs BEGGS: I will not produce the report until I have had an opportunity to examine it. When I have done that, the report will be released.

HOSPITALS - SIR CHARLES GAIRDNER HOSPITAL *Dispensing Fee Increase*

192. Mr STRICKLAND to the Minister for Health:

- (1) Will the Minister confirm whether there has been an increase in dispensing fees for medication at Sir Charles Gairdner Hospital from \$6 to \$8?
- (2) Is that a State Government increase?
- (3) Does the Minister acknowledge that that is, in fact, a 33 per cent increase, or has a rationale been put forward whereby an average yearly increase since the last increase is promoted as the increase?
- (4) If so, what is the increase portrayed, and is this an indication of a general Government strategy whereby an "under CPI increase" perception can be conveyed?

Mr WILSON replied:

(1)-(4)

Yes. This increase relates to patients receiving pharmaceutical services through the hospital pharmacy. Those patients would normally be paying the established fee of \$11 if purchasing these pharmaceuticals from a pharmacy in the normal way. It is the Government's view that people who receive pharmaceutical services and are not pensioners or do not qualify for a health pensioner benefit card - that is, a person who does not qualify for benefits in

any way - should contribute towards the cost of running public hospitals closer to the contribution they would have to pay under the normal pharmaceutical benefit scheme if purchasing pharmaceuticals from a pharmacy.

This increase from \$6 to \$8 is still well short of what they would have to pay at a commercial pharmacy and it is our belief that it is not a good thing for people to be dependent on a lower fee at a hospital pharmacy, which is really the public hospital system, when those services are available at commercial pharmacies under the pharmaceutical benefit system at the normal pharmaceutical benefit fee. We are moving to equate the two systems for those people not normally eligible for benefits under the Commonwealth scheme. It is short of the \$11 they would pay at a pharmacy.

HI-SMELT STEEL FACILITY - KWINANA

193. Mr COURT to the Deputy Premier:

- (1) Is the HI-smelt steel facility planned for Kwinana to proceed?
- (2) If yes, when will construction commence?
- (3) If no, is the plant to be built overseas?

Mr TAYLOR replied:

(1)-(3)

This facility has the strong support of the Government. So far as I am concerned, the matter of construction of this facility is still firmly on the agenda of those involved. I have not heard anything to the contrary.
